# Lesson Plans – Thursday, June 23rd – HSS

## Lesson Plan #1 – plan selection

### Explanation

Read through each of the following nine plans from the starter pack.

Select three plans that you find the most strategic.

… and the three plans that you find the least strategic.

In order to help plan text #3 make sense, I recommend pulling up a copy of the glossary, as well as the Moran ’15 card on solvency.

If you do not understand what a phrase in the plan text really means, ask.

### Plans

#### Plan Option #1:

The United States federal government should substantially increase its economic and/or diplomatic engagement by requiring that CFIUS reviews of investment projects from the People’s Republic of China be more transparent and fulfill a standard of most favored nation, non-discriminatory treatment.

#### Plan Option #2:

CFIUS reviews of investment projects from China should enhance transparency and fulfill a standard of most favored nation, non-discriminatory treatment.

#### Plan Option #3:

CFIUS should limit its criteria for impeding investment projects from Chinese firms to instances where one or more of the following criteria can be substantiated:

* *“critical supply”* would be placed in jeopardy;
* a significant risk of *“technology leakage”* exists;
* a rigorous investigation confirms a risk of *“sabotage and-or spying”*;

CFIUS reviews should apply a most favored nation, non-discriminatory standard to projects from Chinese firms. In instances where an investment is denied, unclassified documents the outlining the basis of denial should be made available to Chinese firms.

#### Plan Option #4:

The United States federal government should end CFIUS review of investment projects from the People’s Republic of China.

#### Plan Option #5:

The United States federal government should accede to the terms of the US-China bilateral investment accord most-recently advanced by Chinese negotiators.

#### Plan Option #6:

The United States federal government should offer non-discriminatory and transparent CFIUS reviews of investment projects from China in exchange for China’s willingness to finalize a Bilateral Investment Treaty with the United States.

#### Plan Option #7:

The United States federal government should offer non-discriminatory and transparent CFIUS reviews of investment projects from China in exchange for China’s willingness to finalize a Bilateral Investment Treaty with the United States. Should China agree, the United States should accede to the negotiated Bilateral Investment Treaty.

#### Plan Option #8:

The United States federal government should offer non-discriminatory and transparent CFIUS reviews of investment projects from China in exchange for China’s willingness to further narrow its *“negative list”* of sectors exempt from a Bilateral Investment Treaty with the United States.

#### Plan Option #9:

The United States federal government should offer non-discriminatory and transparent CFIUS reviews of investment projects from China in exchange for China’s willingness to further narrow its *“negative list”* of sectors exempt from a Bilateral Investment Treaty with the United States. Should China agree, the United States should accede to the negotiated Bilateral Investment Treaty.

## Lesson Plan #2 – strengths and weaknesses

### Explanation

Below are a few cards that appear in the starter pack 1AC.

Read each of them – and come up with two strengths of the card… and two places where you think the neg could gain some mileage.

### Hu ’16 - solvency

#### It’s now or never for the BIT. US can’t keep pushing China for QPQ’s. A US concession on security reviews is key to solving.

Hu – June 7th - ‘16

Hu Weijia is an analyst and reporter with the Global Times that writes for the newspaper’s Opinion Pages on matters concerning international and economic affairs. – “US must meet China halfway to reach agreement in investment treaty negotiations” - Global Times, June 7th - http://www.globaltimes.cn/content/987281.shtml

After years of negotiations, the talks are now at a critical moment as the two nations are expected to submit their new "negative list" proposals for those sectors that will remain off-limits to investment from the other side. The US wants China to shorten its list of these sectors, while China wants the US to make concessions in areas such as high-tech investment and security reviews. Although top leaders on both sides have called for the rapid conclusion of a high-standard China-US BIT, this will not be a simple task, either for China or for the US. China's National Development and Reform Commission, the country's top economic planning agency, published a draft earlier this year on adopting the negative list approach in some pilot areas in the country. It was considered unlikely that China would adopt the negative list approach several years ago, because it was totally different from the country's existing management system for foreign investment. In the process of extending the negative list approach, the central government has to push forward domestic reforms and promote the formation of a national consensus among various interest groups. However, it is doubtful whether the Obama administration has enough political resources to push forward domestic reforms, especially at a time when American society is showing less enthusiasm for the BIT negotiations. It seems the US now wants to pressure China to make more concessions in order to reach an agreement. But it is unrealistic for the US to force China to sign the agreement without making concessions itself. While China will make great efforts to adopt the negative list approach, the US has to properly handle issues such as security reviews to meet the concerns of the Chinese side. According to media reports, Chinese telecommunications giant Huawei recently became the target of a US investigation over its trade with Iran. Concerns were expressed by some in China that this represented unfair treatment of Chinese investment by the US. The Obama administration may need to put more focus on domestic affairs, instead of putting pressure on China. Admittedly, there's not much time left for the two countries. If negotiations are not concluded while Obama is still in office, the treaty might be hit by growing uncertainties.

#### Strengths:

#### Weaknesses:

### Moran ’15 – solvency

#### Security review reforms actualize a Bilateral Investment Treaty – most Chinese complaints center on the *transparency of the CFIUS process*.

Moran ‘15

et al; Dr. Theodore H. Moran holds the Chair in International Business and Finance at the School of Foreign Service, *Georgetown University*, where he teaches and conducts research at the intersection of international economics, business, foreign affairs, and public policy. Dr. Moran is founder of the Landegger Program in International Business Diplomacy, and serves as Director in providing courses on international business-government relations and negotiations. Dr. Moran is consultant to the United Nations, to diverse governments in Asia and Latin America and received his PhD from Harvard. The next co-author is Gary Clyde Hufbauer who was formerly the Maurice Greenberg Chair and Director of Studies at the Council on Foreign Relations (1996–98), the Marcus Wallenberg Professor of International Finance Diplomacy at *Georgetown University* (1985–92), and served as the deputy assistant secretary for international trade and investment policy of the US Treasury (1977–79) – The final co-author is SEAN MINER – who is the China program manager and research associate at the Peterson Institute for International Economics. The Peterson Institute for International Economics (PIIE; Peterson Institute) is a private and non-profit think tank focused on international economics, based in Washington, D.C. According to the 2014 Global Go To Think Tank Index Report (Think Tanks and Civil Societies Program, University of Pennsylvania), Peterson is number 15 (of 150) in the "Top Think Tanks Worldwide" - From the Chapter “COMMITTEE ON FOREIGN INVESTMENT IN THE UN AND THE US-CHINA BILATERAL INVESTMENTTREA" CHALLENGES IN MEETING CHINA'S DEMANDS” – From the paper “TOWARD A US-CHINA INVESTMENT TREATY” - PIIE Briefing 15-1 - February 2015 –Modified for potentially objectionable language - https://piie.com/publications/briefings/piieb15-1.pdf

The United States and China have continually sparred in the area of national security reviews for bilateral investment. The current negotiations on an investment treaty between the two countries cover a wide range of topics. The US-China bilateral investment treaty (BIT) could be an opportunity to clear up issues relating to security reviews, although both sides may end up disappointed. China's grievances stem from some high profile acquisition attempts launched by Chinese firms that were ultimately unsuccessful because they ran into political obstacles from the US Congress or the CFIUS. But the high-profile cases have skewed public perception and now some see (consider) CFIUS as an unfair barrier to Chinese investments in the United States. The Chinese will look to accomplish two things in the BIT. First they would like to ensure greater transparency in order for Chinese firms, including state-owned enterprises (SOEs), to have a clearer understanding of the decisions criteria in a CFIUS review. Second, they would like CFIUS to apply the same criteria to a Chinese firm trying to acquire a US firm as it would to a British firm doing the same. This is called most favored nation (MFN) treatment. Chinese commentators point to the perception that even the prospect of going through a review is sometimes enough to prevent an investment. Moreover, additional factors, besides the prospect of a CFIUS review, may discourage potential foreign investors. In certain industries foreign investment is explicitly limited or prohibited by the US Congress, namely natural resources, telecom, TV, and radio. Investment in other sectors may face barriers even though the official US policy is an open door. As mentioned, congressional disapproval can prove too much for a foreign investor. Intense media scrutiny, usually linked to congressional protests, can force a bid withdrawal if it sparks strong negative public sentiment. Most of the Chinese grievances could be alleviated if the BIT could simplify the CFIUS process. The US government is unlikely to take further steps to ease the path through CFIUS, but recently more and more investors, including from China, have successfully navigated a CFIUS review. Several foreign investors have experienced an almost xenophobic attitude toward their proposed investments in the United States. Firms based in Japan, the Middle East, China, and even France have all faced issues springing from fear held by the American public that the foreign investor would acquire a vital US company. CFIUS vets legitimate national security concerns, but public misgivings often extend well beyond the national security realm. Despite these occasional eruptions, the United States remains a popular destination for inward foreign investment. In 2013, the United States received a net inflow of $160 billion from inward foreign investment. In that year, worldwide flows topped $1.4 trillion. The United States wants to maintain its position as a leading destination for foreign investment. Studies show that foreign firms employ over 5 million workers in the United States, and they pay higher wages than most domestic fi rms. Studies also show that foreign firms in the United States perform at a very high level, fostering a competitive environment, which boosts the performance of domestic fi rms. Inward FDI also increases domestic spending on research and development (R&D). Inward FDI is concentrated in select but important sectors, such as advanced manufacturing, energy, technology, and finance. The presence of leading edge foreign firms facilitates the diffusion of high technology and innovative management to domestic firms, creating a stronger US economy. This shows up in the positive correlation between inward FDI and domestic productivity. China had inward FDI flows of around $250 billion in 2013, but outward FDI has lagged far behind. 3 China’s outward FDI stock totals around $500 billion, while its inward FDI stock totals more than $2 trillion. China’s outward FDI stock placed in the United States is approximately $47.5 billion in 2014, less than one-tenth China’s total outward stock, and more than half of that arrived in the last two years. 4 Chinese investment in the United States is gathering speed, amounting to $14 billion in calendar year 2013 and $12 billion in calendar year 2014. Chinese companies invest in the United States to take advantage of highly skilled workers, to acquire new production technology, and to reach the US consumer market. It wouldn’t make sense for Chinese companies, with cheaper labor at home, to seek low-skilled US workers. Chinese firms spend on considerable R&D in the United States to adapt their products to the American market. Somewhat surprisingly, Chinese-owned firms in the United States tend to export a larger fraction of output than their US counterparts. US sentiment toward growing Chinese investment is becoming more positive, especially at the state level, where governors vie to attract job-creating firms to their economies. However, convincing Americans that Chinese investment does not pose an economic or security threat can be difficult. As a side advantage, the CFIUS process provides reassurance to the public at least with respect to security concerns. THE CFIUS PROCESS CFIUS was created in the 1970s, as fear spread that Middle Eastern governments, flush with profits from high petroleum prices, would begin to acquire vast tracts of US real estate. This fear was overblown, and massive purchases of US assets did not materialize. Nonetheless CFIUS was created in 1975 to ensure that inward investments would not jeopardize national security. Yet presidential authority to block transactions was not legalized until after 1987, when a Japanese firm attempted to acquire a French-owned technology firm based in the United States. In 1988, the Exon-Florio Amendment was passed giving the president authority to block transactions that might harm US national security. The president subsequently delegated investigatory authority to CFIUS. Only two transactions have been explicitly prohibited by a US president, in 1990 and 2012, and in both cases the acquiring firms were Chinese. A fresh congressional storm erupted in 2006 over the proposed acquisition of a British firm, Peninsular and Oriental Steam Navigation Company (P&O), which owned ports all over the globe, including in the United States. The acquiring firm was based in the United Arab Emirates (and controlled by the Emir of Dubai) called Dubai Ports World. After CFIUS cleared the transaction, a congressional uproar manifested in the form of a 62-2 vote against the transaction within the House Appropriations Committee. Dubai Ports World went through with the transaction but was forced by political pressure to divest the six US ports, selling them to an American entity. This episode led to further changes in the CFIUS process, implemented in 2007 by the Foreign Investment and National Security Act (FINSA). The scope of the national security review was expanded and CFIUS now looks, among other issues, at the possibility of “three threats” ( described in more detail later): 1 . denial or manipulation of access to supplies, 2. leakage (referring to sales of goods or technology, especially of a military nature), and 3. sabotage or espionage. Apart from SOEs, foreign investors in the United States are not required to initiate a CFIUS review, but lawyers recommend that they do so. While CFIUS has not distinguished between “mixed ownership” firms— partly state-owned and partly privately owned—and fully state-owned firms, any mixed ownership firms would be well advised to initiate a CFIUS review. If a foreign firm does not fi le a notice to CFIUS regarding a proposed transaction, then CFIUS can initiate its own investigation, and subsequently order a divestment. The process involves a 30-day review, and the majority of transactions are cleared in this time period. But the committee may initiate an additional 45-day investigation if it needs more time. This second 45-day investigation is mandatory if the foreign acquiring firm has ties to a foreign government or involves critical infrastructure in the United States. The president has 15 days to evaluate CFIUS findings and allow or prohibit the transaction. The committee’s deliberations are secret, and (with few exceptions) it reports summary statistics only on the cases reviewed and investigated. A closer look at how CFIUS operates and initiates its investigations reveals that notices to CFIUS have in- creased substantially and so have the percentage of cleared investments. Since 2008, any entity controlled by a foreign government must notify CFIUS of an intended acquisition. This is not the case for private companies, although it is generally a good idea for them to do so. Clearance by a CFIUS review can help shield the foreign firm from congressional or public criticism. From 2008 through 2012, foreign firms fi led 538 notices of transactions with CFIUS. Of these, 6 percent of the firms (32 cases) withdrew from the review process before it was finished, 31 percent (168 cases) went through an investigation, and 7 percent (38 cases) withdrew during the investigation. CFIUS recommended divestiture in just 1 case in those five years, where a presidential decision was made to force Ralls Corporation to sells its American assets. The other 44 percent (238 cases) were cleared during the review process without the need for an investigation. This means CFIUS deemed nearly 87 percent (468 out of 538) of the notices as not a threat to US national security, a very high rate. However, some firms were subject to mitigating measures (8 percent of cases from 2010 through 2012). Mitigating measures ranged from allowing only US citizens to handle certain products and services to termination or sale of specific US business activities. There are many reasons why firms may withdraw before or during the investigation process. Sometimes the fi ling parties may not be able to answer all the national security or other related queries within the review or investigation process and decide to withdraw and refi le at a later time. Also if the terms of the transaction change, the party may withdraw and refi le later, or if the transaction is abandoned for commercial reasons then the party will withdraw the notice. For example, in 2012, 22 cases were withdrawn during the review or investigation process, and 12 of those cases were refi led in 2012 or 2013, with the rest abandoning the transaction either for commercial reasons or because of national security concerns raised by CFIUS. Several high-profile cases have shaped public opinion, in the United States and abroad, on the process foreign investors must endure when investing in the United States. In 1992, a French firm, Thompson (58 percent owned by the French government), tried to acquire an American firm, LTV Corporation, which possessed sensitive missile technology. Thompson had sold weapons to Iraq and Libya, and there was no way to ensure that future sales would not be initiated in zones of US military activity. Thompson subsequently withdrew its bid. In 2002, CNOOC proposed to buy the American-owned Unocal, which had some drilling activity in the Gulf of Mexico. Protestors worried that CNOOC would divert oil sales from the United States to China. While this fear was overblown, CNOOC eventually withdrew its bid. Commentators say that the knowledge gained from this failure helped CNOOC close a deal in 2013 to buy Canada’s Nexen, also with significant operations in the Gulf of Mexico. CFIUS did mandate that CNOOC give up operating control of its Gulf activities, although CNOOC still can collect the revenue. In 2010 a Chinese SOE, Anshan Iron & Steel Group, came under political fi re for its attempted investment in US-owned Steel Development Company. Anshan withdrew its bid amid congressional pressure. Opposition to foreign acquisitions on supposed national security grounds sometimes originates from the desire of US-based competitors to acquire the target company more cheaply on their own. Chevron, for example, led the attack against CNOOC’s proposed acquisition of Unocal, and when the Chinese deal fell through Chevron acquired Unocal itself. Since the FINSA reform of CFIUS legislation in 2007, US domestic political pressure has been less effective in stopping transactions. During Shuanghui International’s purchase of Smithfields in 2013, the largest pork producer in the United States, there was significant congressional opposition to a Chinese firm taking over an important part of US food supply, but congressional pressure was not strong enough to force Shuang- hui to withdraw its bid. The bid subsequently passed a CFIUS investigation and the acquisition was completed in July 2013. This may have been partly due to greater Chinese experience at acquiring US firms, and there- fore increasing confidence by the Chinese investors that they could withstand public criticism and just focus on national security concerns. Shuanghui started educating public opinion early and hired skillful lawyers and consultants to guide the Chinese parent through the process. Moreover, there was no legitimate security concern in this case, just the fact that an important American company would be sold to a Chinese company. Shuanghui’s skill in navigating both the CFIUS process and potential congressional opposition provides a teaching lesson to other Chinese firms that seek to acquire “brand name” US fi rms. Chinese firms have recently been less reticent about investing in the United States. From 2007 to 2009, Chinese firms filed 13 notices with CFIUS, but from 2010 through 2012, they fi led 39 notices, accounting for 12 percent of all notices. This includes 23 notices fi led in 2012 alone, twice the level in the previous year, the most for any country in 2012 (figure 1). In comparison, UK investors fi led 21 percent of total notices during the 2010–12 period, the highest from any country over the three- year period. China fi led more notices than French (9 percent) and Canadian (10 percent) firms during that time. Of China’s 39 notices fi led, 20 were in the manufacturing sector, 12 in mining, utilities, and construction, while the other 7 were in finance, information, and services. China’s commerce minister remarked that the CFIUS process needs to be “more open and transparent, because companies never know whether their bid meets the requirements... . We need clearer guidelines on what conditions might violate U.S. Security, to reduce risk for companies that want to invest.” Seeking clearer guidelines, one of us (Moran 2009) has spelled out circumstances in which both CFIUS and foreign investors can determine whether a genuine security threat exists. These are not official CFIUS guidelines but constitute a common sense approach to evaluating foreign investment. The first “threat” identifies critical supply, when a foreign firm acquires a company in a concentrated industry, thereby limiting the purchasing options for firms in the US economy. The threat of denial or manipulation of supplies is credible only if the asset to be acquired is critical to the functioning of the US economy and alternative sources of sup- ply are not readily available. The next “threat” is that of technology leakage, where the firm being acquired has a narrowly available technology, ability, or management expertise, and the sale of that firm may significantly enhance a foreign country’s capability, thereby reducing US national security. The threat of leakage of technology via foreign acquisition is worrisome only if such technology is not widely available from other sources. It should be noted that this approach identifies not only whether the proposed acquisition takes place in a sector deemed to be “critical” but also whether market concentration in that sector is sufficiently concentrated that supplies could be manipulated by the acquirer or technology obtained by the acquirer would make a strategic difference. The third “threat” involves infiltration, surveillance, or sabotage and identifies acquisitions like telecom or ports that may give foreign governments a platform to spy on or sabotage the US economy. A rigorous investigation of whether these three threats are plausible means that the circumstances in which a CFIUS disapproval of the foreign acquisition is justified will be relatively rare. Even if one of these situations occurs, mitigating measures can be imposed on the acquiring firm, such as allowing only US citizens to run certain departments or insisting the firm give up control of or divest certain operations. Missing from CFIUS’s evaluation—a feature that characterizes investment review in many other countries—is that it does not take into account economic interests when deciding whether to recommend disapproval to the president. The United States would like the BIT to make sure that China’s investment review does not take economic interests into account for US investments into China. One of the core tenets of the US government is to facilitate an environment of free enterprise, where markets determine prices and firms compete freely against one another. A US-China BIT is not likely to make the process any easier, but any government is going to reserve that right to block potentially threatening investments. Chinese firms should feel confident that, if they do not pose a national security threat, their transactions will not be blocked by CFIUS. To be sure, Chinese firms face other potential pitfalls. As with Japanese investors in the 1980s and 1990s, some members of the American public are wary of Chinese takeovers. Therefore Chinese investors must have a strategy to deal with public opinion. Getting an early feel for how the transaction will be perceived is critical, and Chinese firms should not expect that they can fly under the radar of US media attention. Early opinion surveys may save time and money down the line. As Chinese firms make further US acquisitions, the experience gained should help pave the way for future transactions. A US-China BIT is unlikely to change the CFIUS process because of the difficult political climate, but it could foster greater disclosure of unclassified evidence, arguments, and allegations considered in CFIUS deliberations. This possibility was foreshadowed by the decision of the Court of Appeals for the Federal Circuit that parties to transactions under CFIUS review should be offered the opportunity to review, respond to, and rebut any unclassified evidence or reasoning upon which a presidential order depriving them of property is based. For increased transparency, Chinese firms that hire an experienced lawyer could come to find out any objections by the committee. A BIT could partly satisfy China by requiring CFIUS to provide a written mitigation proposal to the acquiring Chinese firm within a certain number of days after they supply all the information requested by CFIUS. As for granting MFN status, neither Congress nor CFIUS actually treats all foreign countries the same due to geostrategic considerations, so national security reviews will be unlikely to operate under the same norms as commercial policies, and a BIT will not change this. Chinese investment in the United States has risen quickly in the last few years, and will continue to grow, and investors will gain more experience on how to navigate the CFIUS process. The US government is unlikely to change how CFIUS reviews foreign investment. There may be some room for increased transparency, such as releasing unclassified documents in cases of denial of investment. But the United States may compensate in other areas, for example, adding affirmative language in the BIT that Chinese firms will be permitted to invest in federally funded infrastructure projects, including those administered by the states. Also, a “ratchet” provision could be added to prevent US states from passing further legislation restricting Chinese investment, thus reassuring China that US states can’t try to block Chinese investments by implementing new laws. So China may not get the changes they want to CFIUS, but they might be satisfied by other actions taken by the United States.

#### Strengths:

#### Weaknesses:

### Bu ’12 - Protectionism

#### China mirrors US CFIUS enforcement. Stricter Chinese policies make *global protectionism* and *economic decline* inevitable.

Bu ‘12

Qingxiu Bu – PhD and Professor in Law, Centre of Transnational Legal Studies, *Georgetown University* -- “China's National Security Review: a tit-for-tat response ?” - Law and Financial Markets Review, vol 6:5, pps. 343-356 – obtained via the Taylor & Francis Database

The Huawei case represents another high-profile rejection of Chinese acquisitions on national security grounds. The unsuccessful transaction may not indicate general hostility to Chinese investment. It shows CFIUSs interest in protecting critical technology within the context of its broad mandate of national security.71 Huawei—3Leaf reveals a starkly different philosophy about risk management between China and the West. Chinese management normally show substantial flexibility which enables them to take advantage of regulatory grey areas. This kind of strategy, reflected in Huawei' borderline approach, resulted in CFIUS unwinding the deal retrospectively. The West takes a bright-line rule approach, ie CFIUS must reject a deal if the transaction presents any national security risks which cannot be mitigated. From a governance perspective, Huawei 3Leaf indicates that it is of paramount importance for Huawei to integrate the national security implications into its general cross-border expansion scheme. This episode serves as a reminder to Chinese SWF-based investors of the perils they may face if ill-prepared for the CFIUS review process,72 and also highlights the utmost significance for them to conduct regulatory and political risk due diligence prior to entering into a transaction. The rejection of the Huawei-3Leaf transaction might be interrelated as part of a broader protectionist shift in US investment policy under the FINSA 2007 umbrella. It is argued that Congress might have interfered in the deals under the pretext of national security.73 CFIUS exercises broad and vague discretion to assess national security on a case-by-case basis, which may result in inconsistent interpretations. This precipitates an increasingly unpredictable atmosphere for FDI in the US. The two cases highlight the necessity to balance legitimate national security concerns with the importance of domestic economic growth and development.74 Ideologically, the US's safeguarding measures are likely to have a great influence upon how China will shape its own foreign investment regulations and procedures.75 After all, China has long been mirroring the US's operational models in most sophisticated legislative reforms and judicial practice. The continually perceived use of the CFIUS as a tool of economic protectionism could lead to retaliation in the form of restriction of US foreign investment.76 If the US is seen as using national security review to engage in protectionism, this could provoke a protectionist backlash.77 China may view the US's actions in CNOOC—Unocal as a hostile attempt to prevent Chinas overseas expansion. There is concern that such protectionist actions would lead to a form of legalised isolationism in China.78 As it was openly alleged: "[I]f an economy will use national security as a [criterion] for entry of sovereign wealth funds, we will be reluctant to tap the market because you are not sure what will happen ... national security should not be an excuse for protectionism."79 Given the perceptions of broader protectionism that the rejection of an individual deal can foster,80 it is worth examining whether China's newly established NSR system could be considered a tit-for-tat reaction. China’s national security considerations are embedded in a complex regime and are currently entrenched in an additional opaque level of regulatory review.81 With the substantial increase in cross-border M&As, China has launched a long-anticipated state-level NSR mechanism for the purpose of regulating inbound M&As in sensitive industries. A multi-ministry panel has been established and jointly headed up by the National Development and Reform Commission (NDRC) and MOFCOM. An NSR can be initiated by the relevant government agencies or within the upstream or downstream industries of the target.82 As the gatekeeper for referring deals to the NSR Panel, MOFCOM liaises with relevant entities to obtain necessary details. Additional government agencies with close relevance to a particular acquisition will be involved in participating in the NSR Panel on an ad hoc basis.83 For each transaction, a "lead agency" with the greatest interest or expertise in the matter is designated to conduct most of the review and report back to the panel.8'1 Third parties may refer to MOFCOM any transaction for which they deem NSR necessary.85 If the panel concludes that the transaction may affect national security, it will request that MOFCOM and other agencies take the appropriate measures to eliminate such impact, such as by ordering the termination of the transaction or directing transfer of shares or assets. There has been a general trend for China to move towards a more expansive review of national security. The newly established NSR regime consists of hard law associated with initiatives from both MOFCOM and the State Council. The comprehensive approaches set out a more detailed mechanism for a review on national security grounds and, to some extent, provide a degree of clarity and certainty to foreign investors in cross-border acquisitions. (a) Comprehensive regulatory framework The regime can be traced back to 8 August 2006, when MOFCOM promulgated the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "M6VAs Rule"). This represents the first time that MOFCOM called for notification and review of an inbound M&A transaction that might have an impact on Chinas "national economic security". The most relevant provision for NSR is Article 12, which requires the parties concerned apply for approval from MOFCOM when an acquisition of a domestic enterprise by a foreign investor 1. results in actual control; 2. involves key industries; 3. has factors imposing or possibly imposing material impact on the economic security of the state; and 4. results in transfer of actual control in a domestic enterprise which owns any well-known trademarks or Chinese historical brands.86 The M&A Rule 2006 did not list "key economic sectors", define "national economic security", nor prescribe detailed procedures.87 There have been no reported cases in which transactions were prohibited expressly under Article 12, but some transactions have been delayed for unknown reasons until the parties abandoned the transaction. For instance, Carlyle was forced to withdraw the proposed acquisition of XCMG owing to the parties' inability to obtain MOFCOM's approval within three years after concluding the contract.88 This case was similar to the circumstances prior to FINSA 2007, where CFIUS's credibility had been compromised because of high-profile scandals, such as CNOOC—Unocal and Dubai Port. A separate security review system has been established with the enactment of the Anti-Monopoly Law 2008 ("AML 2008")-89 Article 31 provides for an additional review of concentrations by foreign investors: "when foreign M&As of domestic enterprises involve national security, they shall be subject to review according to relevant regulations, in addition to the anti-monopoly review provided for by the AML 2008".90 This provision seems to embody a universal concern that most governments have for protecting national security interests in the face of increasing economic globalisation.91 On 3 February 2011, the State Council issued the Notice on Establishment of a Security Review System for Acquisition of Domestic Enterprises by Foreign Investors (the "NSR Notice").92This long-awaited Notice formally formalised an NSR mechanism and set different thresholds to trigger NSR when necessary Serving as a legal basis, the NSR Notice implements Article 31 of AML 2008. It represents a clear signal that China intends to take a more systemic approach in monitoring foreign investment in sensitive sectors, and requires the parties concerned to co-operate with the panel when inquiries occur.93 On 4 March 2011, one day before the NSR Notice came into effect, MOFCOM issued the Interim Regulations for Implementation of the NSR system as established in the Notice (the "Interim Regulations"). On 25 August 2011, MOFCOM promulgated the Provisions of the Ministry of Commerce on the Implementation of Security Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "NSR Provisions"), which came into effect on 1 September 2011, superseding the Interim Regulation. It finalises the NSR procedures for inbound M&A transactions, even without any significant changes vis-a-vis the Interim Regulations. (b) Enforcement matters again! Although modelled after CFIUS's practice of separating antitrust reviews from NSRs,94 neither Article 12 of the M&A Rule nor Article 31 of AML 2008 provides adequate guidance on the nature of China's NSR for Chinese authorities charged with the task or foreign investors considering an acquisition.95 They have sparked concerns among foreign investors that future acquisitions will be subject to much tighter control by the Chinese enforcement agencies. It is also alleged that MOFCOM attempted to use the national security provisions contained in the M&A Rules and AML 2008 to protect Chinese domestic industries from foreign investment.96 The NSR regime represents the culmination of a vigorous debate regarding the perceived national security issues, with particular concerns focused on "strategic and sensitive" industries and Chinese "national champions". Some procedural issues arise as to when the acquiring party must file an application and what materials and information must be provided at the time of initial notification to MOFCOM. It is unlikely that the NSR Notice is intended to raise the bar for foreign investment into China. It remains to be seen how strictly the government will enforce the NSR regime. MOFCOM, NDRC and other relevant governmental agen-cies will look both at the substance and actual impact of the arrangements as to whether an M&A transaction falls within the scope of a security review. 2. Scope Both systems under the CFIUS and NSR aim to review the effect on national security arising from foreign acquirers' investment in their own domestic enterprises. There are significant differences despite the latter bearing a substantial resemblance to the former's procedures. China defines "national security" more broadly than does the definition used by CFIUS. CFIUS has explicitly rejected the inclusion of the concept of economic security in the definition of national security. As a practical matter, CFIUS will consider economic issues, but only if they affect national security. China's NSR Notice expressly indicates that national security will include such economic concerns as impact on domestic capacity, the domestic economy, basic social order, and domestic research and development (R&D) capabilities.97 There is inherent uncertainty as to when a transaction will be the subject of the NSR. A fundamental shortcoming of the NSR regime is the lack of clarification as to which industrial sectors are subject to the NSR .The scope appears to be overly broad as it includes industries without an apparent relevance to national security.98 The security review regime remains opaque and adds to the existing uncertainty for foreign investors in China, because neither the Notice nor the Provision provides a clear definition of the industries within which the NSR will be triggered. The interpretation will be subject to the discretion of the enforcement agencies, resulting in the consequential uncertainty about the exact scope of NSR. (a) Actual control: de facto and de jure In principle, a transaction will only fall within the scope of the security review regime if the foreign investor acquires de jure or de facto control of the target. Although there is some ambiguity due to Chinas structural contexts, the focus on "actual control" appears generally to be consistent with CFIUS practice." The NSR Notice defines "control" to include situations where: (i) foreign investors own more than 50% of the shares; (ii) a foreign investor owns less than 50% of the shares but has sufficient voting rights to exert a material influence over the shareholders vote and resolutions of the board of directors; and (iii) foreign investors otherwise gain actual control of management decisions, human resources, or technologies.100 It seems that an NSR will be triggered if the investors are individually or collectively able materially to influence key actions of the target enterprise.101 A specific threshold still remains unaddressed as to when security review notifications are required. There is no minimum threshold amount below which transactions are not subject to review if they otherwise fall within the NSR Notice scope. It is difficult to determine what would constitute "significant influence" over shareholders or board decisions which results in a foreign investor being deemed to have acquired actual control.102 One possible circumstance could be where a foreign investor buys a stake in a domestic company, thereby increasing total foreign ownership above 50%, but no individual foreign shareholder will have control. It remains unclear as to when an acquisition of the minority stake would trigger NSR, neither does the Notice specify when the investor must file an application. It is likely that such a scenario would not trigger a merger control notification because of the absence of a change in control. However, it could trigger a notification under the NSR Notice, because several foreign investors will then jointly own more than 50% of the shares. One problem is that under certain circumstances, a foreign investor might be unaware that its acquisition of shares will increase foreign ownership above 50% and thus require an NSR Notice. In this regard, the NSR may be widely applied to raise additional regulatory hurdles or even block many M&As of Chinese domestic companies. It also raises considerable concerns about the ability of foreign companies to pursue M&A growth strategies in China.103 (b) Impact The NSR Provision states that the issue of whether an inbound M&A falls within the NSR's scope shall be assessed on the basis of the substance and actual impact of the transaction. The scope of reviews goes well beyond national security by subjecting them to a test of the investment's impact on China's economic stability and social order. The panel will review and potentially reject acquisitions provided the transaction would affect: (i) national defence, productivity and supply capabilities; (ii) operational stability of the PRC economy; (iii) social order; and (iv) research and development (R&D) of the PRC's technologies key to national security.104 Although the regime leaves the term "critical infrastructure" vague, telecommunications, energy assets and transportation infrastructure would typically qualify.105 No details have been given, however, as to what considerations are to be taken into account in assessing these issues. In the absence of further guidance, it may be difficult for a notifying foreign investor to assess whether their envisaged transaction may have an effect on "basic social order" or "national economic stability". This will pose challenges for the acquiring party to submit information that would satisfy the NSR panel. The security review regime seems to have a broader scope in terms of sectors and types of transactions. There is little doubt that the implementation of the NSR regime will add regulatory burdens, such as time and cost, to foreign investors attempting to acquire Chinese domestic enterprises. More significantly, a reasonable NSR will contribute enormously to the reform of a healthier global investment environment, so as to eliminate unintended consequences to the detriment of recovery of the current financial crisis. The lack of detail could increase the level of uncertainty in the foreign investment approval process, and add further delay in obtaining regulatory clearance.106 The NSR regime formalises the concept of NSR that is embodied in the existing FDI approval regime. The clear separation of competition reasons from national security considerations would increase transparency and predictability. The interactive clarification between the new and the existing regimes is vital from a transaction management perspective. Nevertheless, the lack of a transitional explanation of the interrelationship between the complex governmental agencies jeopardises NSR efficacy. It is essential to examine the issue when a deal is to be subject to more than one review institutionally and hierarchically. (a) FDI approval v NSR regime The interaction between the general FDI approval procedures and the NSR process remains uncertain. The NSR system does not replace any of the existing controls on M&As and foreign investment in China. It is possible that the new NSR regime will run parallel with other laws and regulations, since it makes little sense for a deal to go through separate reviews on national security grounds. The first measures providing for separate FDI review on national security grounds appeared in the M&As Rules.107 However, on 16 February 2011, NDRC issued informal guidance indicating that foreign investors will not be required to make a separate filing to initiate a security review; rather, the parties may be asked to provide information necessary for the security review in the course of other regulatory reviews.108 It appears that the NSR panel will proceed on the basis of information provided in the course of existing foreign investment approval processes. It is unclear whether the NSR is in effect part of the existing FDI approval framework. Furthermore, Chinas FDI system has been progressively decentralised in recent years.109 The local enforcement agencies have received greater authority to approve larger projects without central government involvement. The new NSR system makes it feasible to channel certain transactions to the NSR panel for review. It remains unclear as to whether local approval authorities should suspend their reviews or withhold their decisions pending the outcome of the NSR process, even for transactions that are unlikely to trigger such concerns. It is not clarified whether the notification for NSR should be submitted by the foreign investor directly to MOFCOM or through its local branches. (b) NSR vis-a-vis AML 2008 As discussed earlier, AML 2008 specifies an NSR procedure for acquisitions of domestic companies by foreign investors. A foreign party could be subject to both an economic antitrust review and an additional NSR review. An NSR is required alongside merger control review if applicable where a foreign investor acquires actual control of a sensitive sector. Exceptionally, a review is required in any event if the sector involved is military or related sectors,110 in which there is no minimum threshold. These transactions will be be subject to review irrespective of whether they lead to a "concentration" as defined in the AML 2008.111 This approach seems to have been inspired by a decision in the US that effectively blocked proposed Chinese investments in mining companies that turned out to be proximate to military facilities."2 Notably, not all transactions subject to merger review under the AML 2008 will be subject to NSR1 an M&A is reviewable only if the foreign investor will gain "actual control" of the enterprise in a key sector. And conversely, not all transactions subject to NSR will simultaneously be subject to merger control review - for instance, when the parties do not meet the merger control thresholds and MOLCOM does not sua sponte initiate an antitrust review.113 Nevertheless, the overlapping situation inevitably complicates the NSR where national security concerns are involved in both antitrust review and the NSR. It is neither clear as to how MOFCOM will treat transactions that are notified under both the AML control and the NSR Notice, nor certain about how to handle the risk of inconsistent outcome. More specifically, the M&As Rules 2006 sought to protect the Chinese economy from any threats to its "national economic security", which includes "key industries" and "famous brands"."4 Chinas reluctance to let the well-known Chinese brand Huiyuan pass to foreign control seems to be a perfect example involving pure economic nationalism."5 Coca Cola—Huiyuan shows that Chinas broadly defined national security concept has crept into AML enforcement.1It seems that the Chinese government plays a double role: it is both the owner of the major players and the referee, which is detrimental to the development of Chinas market economy.117 This raises concerns that protection of such SOEs from competition may be an aspect of "national security" that is to be taken into account in the separate review."8 A subtle issue arises as to whether the aim of "national security" could be used to protect Chinese SOEs or national champions from competition where an acquisition does not threaten national security per se. It remains to been as to whether Article 12 of the M&As Rules 2006 has survived the enactment of Article 31 of the AML 2008; or whether the concept of protecting "famous brands" in Article 12 is now encompassed in the NSR Notice. The lack of guidance could result in potential contradiction and increase the level of uncertainty. MOFCOM updated the NSR Provision which, together with the State Council's NSR Notice, will have a broad impact on structuring inbound M&A transactions undertaken by foreign investors. The procedural and substantive facets of the new NSR regime formalise the process and add some parameters, resembling analogous procedures for screening foreign investment on national security grounds in other major jurisdictions."9 In particular, the structure reflects an analytical approach quite similar to that adopted by the CFIUS. In response to growing concerns of protectionism and nationalism, the NSR system marks the path forward by establishing a firm framework for review of foreign M&As on national security grounds. However, the NSR regime has been tailored to Chinas particular legal and policy environment, which inevitably renders the process opaque and discretionary. The rules will leave great discretion in the hands of the NSR panel. The screening may constitute a certain impediment to FDI, which could make transactions involving foreign acquirers more challenging. It remains uncertain whether the system will be applied arbitrarily to deter specific deals, or whether it will be implemented with openness and transparency. Whether they will constitute serious obstacles for foreign companies will depend largely upon how the rules are applied in practice. There is a general trend towards economic protectionism. Some restrictions on the ground of national security have provoked a wave of investment protectionism, which may undermine globalisation and harm the global economy. (It is worth noting that erecting trade barriers precipitated the Great Depression.120) The move, driven by the Chinas new NSR regime, has caused concerns among foreign businesses that national security could be used as a pretext for protectionism. Both home and recipient states have a key stake in promoting an open investment regime.121 An increasing challenge is to strike a proper balance between making the host countries attractive to SWFs and simultaneously maintaining a transparent market-based regime.122 Apart from hard law, it also makes great sense to examine how transnational soft initiatives may play a complementary role. Against the lure of protectionism All recipient countries have rules in place regulating the entry of foreign capital and investment. Foreign investors are usually constrained to invest in strategic or sensitive sectors. Increasingly protectionist policies have been put forward even in free market economies following the financial crisis across jurisdictions.123 Economic nationalism, the desire to protect a nation's champion firms or defend against monopoly by another nations enterprises has prevailed over capitalist principles of profitability or efficiency.124As Musgrove and lougas observed: "Chinas new national security review provision may in reality be the result of political compromise between reformists in China, who support the adoption of competition policy consistent with other major jurisdictions and international best practices, and protectionists, who prefer to protect domestic Chinese businesses from potential new foreign entry." Such leverage would easily lose its balance with possible future CNOOC-like cases. The biggest problem may not be outright protectionism, but the failure of host countries to take account of how their domestic policies affect their investment partners. MOFCOMs final decision against Carlyles acquisition of XCMC127 was announced only a few months after the CNOOC-Unocal debacle in the US. The M&As Rule 2006 can arguably be seen as a response to the perceived protectionism in CNOOCs unsuccessful acquisition of Unocal in 2005. To some extent, the NSR regime represents a hostile confrontation to similar bodies abroad that have hindered efforts of Chinese corporations to engage in offshore acquisitions. 129 This could potentially be seen as a tit-for-tat reaction against foreign governments scrutinising Chinese investments on the grounds of preservation of national security. China has responded with investment restrictions of its own, which inevitably lower the trajectory of economic growth in the West.130 The recipient countries should not erect protectionist barriers to foreign SWF portfolios. They should make sure that any restrictions imposed on investments for national security reasons are proportionate to genuine national security risks. It is vital for the parties to resist the siren calls of protectionism but also to avoid taking subtler forms, such as in the name of certain legitimate interests.131 It remains to be seen whether China's NSR process will result in economic protectionism. Whether these rules will constitute another serious obstacle for foreign companies doing business in China will depend upon how the NSR regime is applied, and how Chinese outbound investment will be treated reciprocally. It is worth examining how the international communities have endeavoured to ensure a free flow of capital through transparent and stable rules, while protecting the legitimate interest of national security. Under Chinas current legal and political environment, it remains uncertain as to how long it would take for Chinese SWFs to foster best practice in corporate governance, so as to achieve the highest levels of transparency and accountability.132 Hard law represents a bottom line under which certain violations would be penalised, while those internationally recognised soft initiatives will fill the gap to facilitate SWF compliance and play a complementary role in stabilising the global capital market. It is significant to examine how the host and home states are obliged to maintain the financial market's integrity through interacting both hard and soft laws. (a) International Monetary Fund (IMF): GAPP The IMF formally established an International Working Group of SWFs (IWG) to reach a consensus on a set of principles that properly reflect SWF investment practices and objectives.133 The Generally Accepted Principles and Practices (GAPP), also known as the Santiago Principles, provide a voluntary framework for appropriate governance and accountability by SWFs. In order to devise a code of best practices for SWFs, the IWGs work was guided by four main objectives: (i) to help maintain a stable global financial system and free How of capital and investment; (ii) to comply with all applicable regulatory and disclosure requirements in the countries where SWFs invest; (iii) to invest on the basis of economic and financial risk and return-related considerations; and (iv) to have in place a transparent governance structure that provides for adequate risk management and accountability.134 The legal framework for SWFs should be sound and support its effective operation and the achievement of its stated objective(s)J3S Owing to the GAPPs non-binding legal nature, the implementation of the 24 principles is on a volun-tary basis and subject to home countries\* laws and regulations. SWFs should maximise risk-adjusted financial returns based on economic and financial grounds. As for the IWG, "The pursuit of investment decisions free of political influence and publication of the GAPP should help improve understanding of SWFs as economically and financially oriented entities in both the home and recipient countries."136 Such an initiative should be seen as an important step in consolidating dialogue and understanding between SWFs and recipient countries. The best practices are supposed to encourage strictly market-based, rather than politically motivated investment by SWFs.137 Such an approach reflects the IMF's attempt to depoliticisc what is inherently a political and governmental entity. (b) Organization for Economic Cooperation and Development (OECD) Guidelines The OECD has repeatedly issued statements confirming its adherence to an open-door investment policy, which endeavours to attract SWF investment without jeopardising the national security of OECD members.138 A set of Guidelines was agreed upon in 2009 to contribute to trust-building between SWFs and host countries.139 Underscoring more transparency, the Guidelines require that the objectives and operation of SWFs should be made more transparent to enhance the predictability of outcomes. They also call for host countries to implement more proportionate regulations, in particular, when existing measures are adequate to address national security concerns. The host state must ensure that it is not demanding adherence to a review process that is overly transparent or highly politicised.140 The OHGD approaches attempt to strike a balance between attracting foreign investments and ensuring national security interests, so as to foster best practices through emphasising openness and predictability in the treatment of foreign investors. As a non-OECD member, China's compliance with the Guidelines will have far-reaching implications. Despite being the second largest economy in the world, China has long been struggling to have its market economy recognised. It is believed that the World Trade Organisation (WTO) will automatically grant China this status in 2016.141 The adherence to the OECD Guidelines in operating SWFs and reviewing FDI will facilitate Chinas run for OECD membership, which would undoubtedly be an essential stepping-stone to success. With the best practice initiated by the OECD, China may reduce the gap by following international well-established standards in the playing field. Intangibly, this would also make a solid foundation for China to be a more responsible stakeholder in the global financial market apart from its economic success. 3. Hard law vis-a-vis transnational soft initiatives The global economic security relationship with China depends upon free-market policies. China and recipient countries have a mutual interest in maintaining an open international investment climate. Global competition law has been marked by a high degree of convergence in both sub-stantive law and procedure.1 - China is gradually taking its place as a major regulator who will exercise concurrent NSR jurisdiction along with the US and EU over high-profile cross-border M&As. It is essential to secure approval from the three jurisdictions in order to complete significant deals in the future. The NSR regimes remain uncertain and may thus allow factors without any relation to national security to be included in the consideration by slipping behind the vague concept of national security.

#### Strengths:

#### Weaknesses:

### Zhang ’15 – US-Sino Relations

#### Absent change, US-Sino ties will spiral to great power conflict in the short-term – a BIT is *the most important variable* to solve.

Zhang ‘15

Chin Chin Zhang is a M.A. candidate for International Trade & Investment Policy at George Washington University's Elliott School of International Affairs in 2016. Her study integrates the political, economic and financial dynamics of global currents, with regional focuses on the United States, European Union and China. She worked in the financial services industry while earning her B.S. in Applied Mathematics from University of California-Los Angeles – From the article - “In Response: Simple Ingredients for the Sino-American Partnership” - International Affairs Review - Volume XXIII, Number 3 • Summer 2015 – available at: http://www.iar-gwu.org/sites/default/files/articlepdfs/China%20Special%20Issue%20DOC%20C%20-%2003%20Simple%20Ingredients%20-%20Zhang.pdf

Whenever interests between states get convoluted, scholars seize the opportunity to march ambitiously toward long-term relationship-building. They do so under the assumption that the best way to avoid great-power conflict is by emphasizing mutual interests in the long run. Unfortunately, too forward-looking an approach can easily diverge from the core issues at present, yielding ankle-deep analyses, biased standpoints, and vulnerable arguments. Florick and Cronkleton's "Remapping China-United States Relations" offers hopeful cooperative ventures rather than pragmatic solutions to prevent a negative spiral in Sino-American relations. The authors fashion opportunities for collaboration in the defense and social realms to diversify the existing economics-heavy approach and to reduce mistrust. Yet the measures put forward by the authors do not factor in Beijing's perspective and often demand total concession from China. Despite their optimistic vision across defense, economic, and social issues across different timeframes, the authors fail to acknowledge China's strategic priorities. In radical contrast to the well-briefed U.S. strategic priorities from the 2015 National Security Strategy, China's strategic priorities are only "broadly spoken" as to "defend sovereignty, maintain territorial integrity and support development" - a very incomplete summary. China's latest national security document states Chinese diplomatic priorities as, in order of importance: "Collaborate with Russia (Kflfe), Attract the EU (fegfc), Calm the US. The strategy identifies China's top national security concern as "the U.S.-led Western attitude on China's domestic policies, territorial dispute and ocean rights."2 The low priority assigned to the United States on China's diplomatic agenda contrasts with its top position as a defense priority. This evidences Beijing's defensive stance toward a distrusted Washington, a stance that cannot be addressed by merely peripheral mutual interests. First and foremost, ongoing terrorism and territorial disputes challenge both nations' priorities. For China, sovereignty issues reign supreme, while the United States is more concerned with terrorism and the stability of the international order. Florick and Cronkleton argue that China should join counter-terrorism operations against the Islamic State of Iraq and al-Sham (ISIS), reasoning that Beijing may face a direct future threat from returning fighters. The scenario is not far-fetched, as Beijing was informed by Israel last year that about a thousand Uighurs had joined ISIS.3 Yet China will have little interest in cooperative counter-terrorism efforts until the threat manifests - and may believe that cooperating with those very efforts will make it an immediate target. In August 2014, President Obama labeled China a "free-rider" in the Middle East.4 To the Chinese public, such a label exaggerated China's economic prowess and downplayed Beijing's contribution in the post-war reconstruction effort in Iraq. Regardless of Obama's true intention-perceived disrespect is enough to insulate trust. To move forward. Washington could initiate an open conversation with Beijing, express hopes of further cooperation in the Middle East, recognize China's past contributions in the region, and offer future cooperation on combating terrorism aimed at China. Similar problems plague the authors' identification of Chinese territorial disputes for short-term resolution possibilities. The authors suggest establishing a "quota system for naval and aerial incursions and a moratorium on personnel landings on the disputed territories off China's coast." This is an entirely U.S.-centric view absent recognition of China's historical governance of the South China Sea that dates back to 210 BC a fact that equals "effective governance" under international law.6 No other issue is more pertinent to Chinese sovereignty than the South China Sea dispute. If the United States desires shared leadership with China, it should maintain a neutral position on South China Sea issues to avoid unnecessary damage to mutual trust. In contrast to the defense and political spheres, economic factors are so far the most-developed aspect of the U.S.-China relationship. Massive trade flows already bond the two parties' interests despite disputes in other arenas. The authors caution against weighting the relationship too heavily toward economic ties, but fail to realize that bilateral trade and investment issues hold the greatest potential for mutually beneficial partnership opportunities. Moving forward, both parties need to constantly adjust public-private dynamics to better meet market needs and accommodate firms from the other state within relevant legal frameworks. In the outlook for trade and investment, two general challenges remain, the larger of which is protectionist policies. The authors suggest that the United States and China "increase transparency and openness in business-government relationships and lift protectionist tactics in the interests of cooperation and building good will." This echoes the current trend in Sino-American relations. A Bilateral Investment Treaty (BIT), initiated in June 2014 and completed in March 2015, agrees to provide protections for the other country's foreign investors.7 If the BIT transitions from paper to reality, China will attract increased foreign direct investment and reduce its heavy reliance on manufacturing exports and debt-financed investment, while the United States could further penetrate the Chinese market and even gain early stakes in a liberalized financial market envisioned in Xi's reform agenda. The United States needs to smooth concerns over its loss of domestic employment, while China needs to take serious measures to ensure fairness to foreign investors with the exact set of rules and protections agreed upon in the BIT.

#### Strengths:

#### Weaknesses:

### Lampton ‘15

#### Relations are nearing a tipping point - US-Sino ties are key to *check military encounters*, *coop on transnational issues*; and *economic welfare in both nations*.

Lampton ‘15

Dr. David M. Lampton is The Director of China Studies at the Johns Hopkins Paul H. Nitze School of Advanced International Studies (SAIS) and Chair of The Asia Foundation. *In January 2015 Lampton was named the most influential China watcher by the Institute of International Relations at the China Foreign Affairs University in Beijing. Researchers chose him after assessing the credentials of 158 top China experts.* Lampton is the Former President of the National Committee on United States-China Relations and is currently a member of the National Committee on U.S.-China Relations Executive Committee and a member of the Council on Foreign Relations. He received his B.A., M.A., and Ph.D. degrees from Stanford University. This is a transcript of Dr. Lampton’s speech titled: “A Tipping Point in U.S.-China Relations is Upon Us” as given at the conference “China’s Reform: Opportunities and Challenges.” This event was co-hosted by The Carter Center and the Shanghai Academy of Social Sciences over May 6-7, 2015. Available via the US-China Perception Monitor - http://www.uscnpm.org/blog/2015/05/11/a-tipping-point-in-u-s-china-relations-is-upon-us-part-i/

Today, soon after May 4th and in the context of the 70th anniversary of the end of WWII, the question is whether or not America and China can, again, find such vision and leadership in today’s far different circumstances. My purpose in the frank remarks to follow is not to depress or offend, but rather to motivate all of us to push events in a better, more mutually beneficial direction. My spirit is at one with Minister Li’s exhortation that we “amplify what we have in common.” For eight U.S. and five Chinese administrations, Washington and Beijing maintained remarkable policy continuity—broadly speaking, constructive engagement. This continuity has persisted despite periodic instabilities, problems, and crises. Some of these developments required time, flexibility, and wisdom to heal. They sometimes left scar tissue. But, none of these challenges ever destroyed overall assessments in both our nations that we each had fundamental, shared interests requiring cooperation and that the costs of conflict outweighed possible gains. Assessments of relative power in both countries for much of the last four decades created few incentives in either society to rethink fundamental policy. Chinese seemingly were resigned to “live with the hegemon,” as one respected Chinese professor put it, and Americans were secure in their dominance and preoccupied with conflicts elsewhere. After the 9/11 attacks on America, China was seen as non-threatening, indeed willing to use some of its resources in the “War on Terror.” In a reflective moment after the 9/11 attacks, then Ambassador to China Sandy Randt delivered a speech to Johns Hopkins–SAIS in which he said, “We have seen the enemy, and it is not China.” In the economic realm, expectations for growth in each society created common interests that subordinated many underlying frictions, whether economic or human rights. The positive balance between hope and fear tipped behavior toward restraint and patience. Things unfortunately have changed dramatically since about 2010. The tipping point is near. Our respective fears are nearer to outweighing our hopes than at any time since normalization. We are witnessing the erosion of some critical underlying supports for predominantly positive U.S.-China ties. Though the foundation has not crumbled, today important components of the American policy elite increasingly are coming to see China as a threat to American “primacy.” In China, increasing fractions of the elite and public see America as an impediment to China’s achieving its rightful international role and not helpful to maintaining domestic stability. Former Australian Prime Minister Kevin Rudd put it well, characterizing the narrative of an unidentified Chinese Communist Party document [perhaps the new National Security Blue Book], and analogous American thinking, in the following terms: “In Beijing’s eyes the U.S. is deeply opposed to China’s rise … American strategy toward China, it said, had five objectives: to isolate the country, contain it, diminish it, divide it, and sabotage its political leadership.” The American narrative, as Rudd described it, is hardly more positive about Beijing: “Beijing’s long-term policy is aimed at pushing the U.S. out of Asia altogether and establishing a Chinese sphere of influence spanning the region.”[1] Since about 2008, there has been a sequence of regional and global developments and incidents that have provided fertile soil in which these negative narratives have grown in each of our societies. Among them are: the 2008 financial crisis, incidents in Hong Kong, developments in the south and east China seas, U.S. inability to quickly exit Middle Eastern and Central Asian quagmires, and the confusion in America and elsewhere about where China is headed internally and in terms of its foreign policy. Current Chinese debate over western (universal) values, subversion, and “black hands” unsettles most outside observers, not least Americans. What is happening? If developments continue along the current trajectory, both countries will have progressively less security, at higher cost; the probabilities of intentional, accidental, or catalytic violent confrontations will increase; the world will enjoy less cooperation on transnational issues requiring joint Sino-American efforts; and, economic welfare in both societies will be diminished. What can be done?

#### Strengths:

#### Weaknesses:

## Lesson Plan #3

I just wanted to talk about these two threads from earlier in the groups discussions

Both come from the new aff file on the wiki (“2acBlocksAndBacklines”)

### A-to “BIT wouldn’t pass the US Senate”

#### Senate would approve a BIT – business pressure’s a game-changer.

Xinhua ‘15

Internally quoting David Dollar, currently a senior fellow at the Brookings Institution and formerly an economic and financial emissary to China in the US Department of Treasury. Also internally quoting Adam Posen, president of Washington-based Peterson Institute for International Economics - “Investment treaty to top China-US S&ED agenda, doable under Obama administration” – Original Source: Xinhuanet.com – 2015-June-23 obtained via: http://www.newsgd.com/news/2015-06/23/content\_126864324\_2.htm

Once the investment treaty is struck, it would require a two- thirds vote in the US Senate for approval. "My feeling is the ratification will have to wait until after the next presidential election," said Huang. "We often have a situation where a trade agreement is negotiated under one president, and then approved under the next one, and even if the party switches," echoed Dollar, citing the North American Free Trade Agreement (NAFTA), covering Canada, Mexico and the US, as an example to illustrate his point of view. NAFTA was first negotiated under former Republican President George H.W. Bush, and then approved under the following Democratic President Bill Clinton. "I think basically they would vote yes because they would be hearing from, particularly from American business community. This is very important for the development of the US economy," Dollar said of the Senate's support for BIT. Posen was confident that the BIT would be finally approved by the Senate, though the US and China have had tensions over issues such as the South China Sea dispute, cyber security. "The US has successfully in the past segregated economic issues from political issues," Posen said, "We have areas of difference. We have areas of common interests. The BIT is in both countries' interests." "The Senate tends to be more mature in dealing with these issues than the House," Posen said, adding that's why the US Constitution stipulates foreign treaties should be approved by the Senate instead of the House.

#### a BIT would pass the US Senate

Rapoza ‘14

Kenneth Rapoza reports for Dow Jones, The Wall Street Journal and Barron’s. This evidence is internally quoting Neal Asbury, CEO of The Legacy Companies. Asbury is a member of the International Policy Committee of the U.S. Chamber of Commerce in Washington D.C. Asbury has received the E-Star Export Award and the Export Achievement Award from the U.S. Department of Commerce. Asbury's company was recognized as National Champion Exporter of The Year “China Says U.S. Investment Treaty On 'Fast Track'” - Forbes – July 10th - http://www.forbes.com/sites/kenrapoza/2014/07/10/china-says-u-s-investment-treaty-on-fast-track/#5e675c1d4930

Further negotiations will be held in Washington DC in late July. Both sides want to get a document prepared to send to their respective lawmakers. In the U.S., that means U.S. Trade Representative, Treasury and State hammering out a document they can get to the Senate Foreign Relations Committee. From there, it would go to a vote in the Senate. “If a (bilateral investment treaty) was going up today, it would pass the Senate,” said Neal Asbury, CEO of The Legacy Companies, manufacturers of food service equipment. ”We need this treaty. China can pretty much buy anything they want over here, and we cannot do the same in China.”

### Specific US-Sino CFIUS disputes coming now, 2016 key

#### A US-Sino protectionism war’s coming in the short-term. CFIUS spats are key.

Flicker ‘16

et al; Scott Flicker is the Chair of the Paul Hastings Washington D.C. office. Mr. Flicker has represented both acquiring and acquired interests in foreign investment/national security reviews before the Committee on Foreign Investment in the United States (“CFIUS”). Mr. Flicker has served as an adjunct professor of law at George Washington University School of Law, and as a guest lecturer on international trade at the George Washington University. He received his J.D. from the University of California at Los Angeles. “CFIUS and China: Is This The Year of The Big Showdown ?” – Insights - March 04, 2016 - http://www.paulhastings.com/publications-items/details/?id=96a7e869-2334-6428-811c-ff00004cbded

Observers of the global trade scene are familiar with the refrain: “The Committee on Foreign Investment in the United States is biased against Chinese investors. Despite vows from policymakers that the process is investor-neutral, apolitical, and focused on core national security issues, the reality is that CFIUS is the bouncer at the door of the U.S. economy regulating entry by our most formidable geopolitical rival.” As then-Minister of Commerce Chen Deming complained to U.S. officials in 2011, screening of Chinese investment is “neither fair nor transparent.”[1] Is he right? Maybe. 2016 is shaping up as the year when this debate might well come to a head. In just the first two months, the CFIUS process played a decisive role in turning back three significant Chinese investment deals in the U.S. technology space, and a fourth deal looms. To be precise, in one case CFIUS completed an investigation and rejected proposals by the parties to mitigate undisclosed national security concerns. The second deal never made it to a CFIUS review. Instead, the U.S. target rejected a Chinese bid in favor of a slightly lower offer from a U.S. company, citing the “unacceptable level of risk” that the Chinese takeover would be blocked by CFIUS. And in the third, a routine decision by CFIUS to convert its initial review to a formal investigation opened an escape hatch through which the Chinese investor exited the deal. The coming weeks will also see CFIUS grappling with the reported $43 billion acquisition of Swiss agrotech company Syngenta, which owns chemical and R&D facilities in the U.S., by state-owned giant ChemChina. There is no question that the pace of Chinese outbound M&A is on the rise. And the United States remains the most stable and desired destination for Chinese companies looking to hedge against asset devaluation in their own economy while securing technological upgrades in the process. There is zero evidence that CFIUS is targeting Chinese acquisitions for heightened scrutiny, but the sheer increase in the number of Chinese deals that will be filed for review sets the stage for an outright economic confrontation between World’s economic superpowers.

## Lesson Plan #4

### Extending a different offcase

You are neg.

Assume the 1AC was plan text #2… And that their terminal impact to relations were SCS and ECS… and that the read the standard protectionism advantage.

Below are three offcase – and corresponding aff answers.

You should prep to extend one – but only one – of them…

You will need flow paper.

### 1NC – Topicality

#### “Engagement” requires the provision of positive incentives

Haass 00 – Richard Haass & Meghan O’Sullivan, Brookings Institution Foreign Policy Studies Program, Honey and Vinegar: Incentives, Sanctions, and Foreign Policy, p. 1-2

The term *engagement* was popularized amid the controversial policy of constructive engagement pursued by the United States toward South Africa during the first term of the Reagan administration. However, the term itself remains a source of confusion. To the Chinese, the word appears to mean simply the conduct of normal relations. In German, no comparable translation exists. Even to native English speakers, the concept behind the word is unclear. Except in the few instances in which the United States has sought to isolate a regime or country, America arguably "engages" states and actors all the time in one capacity or another simply by interacting with them. This book, however, employs the term engagement in a much more specific way, one that involves much more than a policy of nonisolation. In our usage, engagement refers to a foreign policy strategy that depends to a significant degree on positive incentives to achieve its objectives. Certainly, engagement does not preclude the simultaneous use of other foreign policy instruments such as sanctions or military force. In practice, there is often considerable overlap of strategies, particularly when the termination or lifting of sanctions is used as a positive inducement. Yet the distinguishing feature of engagement strategies is their reliance on the extension or provision of incentives to shape the behavior of countries with which the United States has important disagreements.

#### That means the plan must be a quid-pro-quo

De LaHunt 6 - Assistant Director for Environmental Health & Safety Services in Colorado College's Facilities Services department (John, “Perverse and unintended” Journal of Chemical Health and Safety, July-August, Science direct)

Incentives work on a *quid pro quo* basis – this for that. If you change your behavior, I’ll give you a reward. One could say that coercion is an incentive program – do as I say and I’ll let you live. However, I define an incentive as getting something you didn’t have before in exchange for new behavior, so that pretty much puts coercion in its own box, one separate from incentives. But fundamental problems plague the incentive approach. Like coercion, incentives are poor motivators in the long run, for at least two reasons – unintended consequences and perverse incentives.

#### Plan isn’t --- voting issue:

#### Limits --- it functionally narrows the topic because few cases can defend conditioning --- the alternative is hundreds of single import or export cases that explode the Neg’s research burden

#### Ground --- QPQ locks in core generics like soft power and foreign politics DAs, counterplans to add or remove a condition, and critiques of diplomacy

### A-to “Plan must be a QPQ”

#### We reasonably meet their definition – their card only says it’s important to include “positive” action. We do.

#### Counter-interpretation. Only unconditional engagement is topical.

Smith ‘5

Karen E. Smith, Professor of International Relations and Director of the European Foreign Policy Unit at the London School of Economics, 2005 (“Engagement and conditionality: incompatible or mutually reinforcing?,” *Global Europe: New Terms of Engagement*, May, Available Online at http://mercury.ethz.ch/serviceengine/Files/ISN/24863/ichaptersection\_singledocument/273de787-0ede-4c7e-a001-94d09f793f1b/en/03\_Conditionality.pdf, Accessed 07-25-2013, p. 23)

First, a few definitions. ‘Engagement’ is a foreign policy strategy of building close ties with the government and/or civil society and/or business community of another state. The intention of this strategy is to undermine illiberal political and economic practices, and socialise government and other domestic actors into more liberal ways. Most cases of engagement entail primarily building economic links, and encouraging trade and investment in particular. Some observers have variously labelled this strategy one of interdependence, or of ‘oxygen’: economic activity leads to positive political consequences.19

‘Conditionality’, in contrast, is the linking, by a state or international organisation, of perceived benefits to another state (such as aid or trade concessions) to the fulfilment of economic and/or political conditions. ‘Positive conditionality’ entails promising benefits to a state if it fulfils the conditions; ‘negative conditionality’ involves reducing, suspending, or terminating those benefits if the state violates the conditions (in other words, applying sanctions, or a strategy of ‘asphyxiation’).20 To put it simply, engagement implies ties, but with no strings attached; conditionality attaches the strings. In another way of looking at it, engagement is more of a bottom-up strategy to induce change in another country, conditionality more of a top-down strategy.

#### Reasons to Prefer:

#### Their interpretation is contrived. Their ev doesn’t support an exclusive understandings of “engagement”. Contrived interpretations are bad – aff would always lose because the neg will always invent an understanding that excludes the Aff.

#### QPQ Aff are worse for education and for Neg ground. They go down the path of “say no” Aff, reverse conditions, and Affs that abuse the “diplomacy” part of the topic to horse trade for military or human rights conditions. We set a better bright line and avoid multi-directionality.

#### ( ) Our interpretation doesn’t exclude the education that they seek – a unilateral concession can serve as a de facto QPQ. Concessions can be a reaction to a Chinese negotiating request. There’s no reason this education must be fiated in the plan text - as opposed to argued as a disad or advantage.

#### ( ) No unique abuse or delimits – we’ve run an Aff at the heart of the topic, they have plenty of ground.

#### ( ) Put Reasonability before competing interpretations – any other stance causes a race to the bottom that incentivizes technicalities over case debating.

### 1NC – China Growth bad disad

#### Uniqueness and Link – US hegemony is preeminent now, but avoiding *strong SOE’s* and *investment growth in China* and will prove key.

Tellis ‘14

(Ashley J., senior associate at the Carnegie Endowment for International Peace, specializing in international security, defense, and Asian strategic issues, “Balancing Without Containment: An American Strategy for Managing China,” <http://carnegieendowment.org/files/balancing_without_containment.pdf>)

All these realities—being a continental-sized power, possessing a gigantic and technologically improving economy, enjoying superior rates of relative economic growth, having a strategically advantageous location, and rapidly acquiring formidable military capabili - ties—add up quickly to make China a far more consequential rival to the United States than any Washington has faced in the past. Although U.S. officials are bashful about describing China plainly as a geopolitical threat, there is little doubt that they recognize the possibility of a coming power transition, with all its attendant dangers. Because of the perennial arguments among liberals, realists, and neoconservatives, there is no agree - ment in Washington about what the implications of this transition might be. Yet it is precisely this contingency that U.S. grand strategy should aim to thwart because American primacy has been beneficial for the international system and, even more importantly, for the United States itself. Preserving this preeminence, accordingly, remains the central task for U.S. policymakers today. Devising a strategy that is equal to this responsibility must begin with an acknowledgment of both the significance and the complexity of the challenge given China's deep enmeshment with the world. There is no better way to begin this assessment than by recognizing that globalization in the postwar period has spawned uneven gains that have produced in China a new competitor to the United States. This most recent bout of international integration has been reinvigorated and nurtured by American hegemony, understood simply as possessing more comprehensive power than any other state and being willing to use that power to structure the global order in certain ways. Beijing's continuing ascent in these circumstances creates a difficult dilemma for Washington: unlike previous great powers that rose largely through autarkic means, China has grown rapidly because it has benefited disproportionately from American investments in sustaining a liberal international economic order. China, admittedly, is not alone in this regard. Many other European and Asian states have enjoyed economic Devitalization in the postwar period because of their integration into the multilateral trading system underwritten by American power. But China has experienced disproportionately greater gains than the United States and others because its native comparative advantages have been magnified through three distinctive poli - cies. First, Beijing has opted to maintain a domestic economy characterized by significant protectionist components even as it has pursued an investment-driven, export-led growth strategy that exploits the free access available to the more open economies of the developed world. 22 Second, the dominant role of the Chinese state in economic decisionmaking has permitted the government to control critical factors of production, such as land and capital, maintain advantageous exchange rates, and sustain huge state-owned enterprises, which in their totality have enabled China to advance nationalist aims beyond simply allocative efficiency and the increased welfare of its population. 23 And third, the consistent and systematic targeting of foreign intellectual property on a gigantic scale has advanced China’s industrial policy goals, which emphasize the speedy acquisition of advanced technologies by both legitimate and illegitimate means in order to accelerate Chinese growth vis-à-vis other rivals in the international system. 24 All these elements operating in unison have raised China’s level of development, which in turn has helped increase American welfare through trade—but at the cost of embodying a rising challenge to U.S. power. However, it is by no means inevitable that China will continue to rise to the point where it becomes a genuine peer competitor of the United States. Although China has experienced meteoric economic growth in recent decades, the Chinese state has manifold weaknesses. It grapples with the prospect of adverse demographic transitions, contradictions between Beijing’s command polity and pseudo-liberal economy, and an unbalanced growth strategy that emphasizes overinvestment at the cost of domestic consumption. These weaknesses may yet take their toll, leading to either a collapse of China’s hitherto relentless expansion or its severe moderation.

(Note: “SOE’s” are “State-Owned Enterprises”.

#### US review blocks Chinese SOE’s now. Post-plan, China will be positioned to expand their State-run interests.

Chow ‘15

Daniel C.K. Chow - Professor of Law at The Ohio State University Moritz College of Law. “WHY CHINA WANTS A BILATERAL INVESTMENT TREATY WITH THE UNITED STATES” - BOSTON UNIVERSITY INTERNATIONAL LAW JOURNAL, Volume 33 – available at: https://www.bu.edu/ilj/files/2015/04/Chow-Why-China-Wants-a-Bilateral-Investment-Treaty.pdf

First, a BIT may allow China to expand the reach and influence of China's SOEs, which are likely to benefit most from the BIT. China has a national policy of promoting SOEs to become "national champions" that can compete with the world's largest multinational companies. Three of the ten largest companies by revenue in Fortune's Global 500 are from China.33 Furthermore, China leads the list of newcomers to the Global 500 in 2014 with seven of the twenty-three new companies.34 U.S. federal laws subject FDI by Chinese SOEs to scrutiny and allow the United States to block such investments unilaterally to protect U.S. national interests.35 In addition. U.S. politicians can informally pressure U.S. and Chinese companies to abandon various FDI projects. For example, in 2005, the U.S. Congress, citing national security concerns, pressured a Chinese state-owned oil company to withdraw its bid to purchase Unocal, a U.S. energy company.36 The United States' concern is that SOEs, as instruments of the State and the Communist Party, make their decisions in accordance with policy goals of the State-Party, which may threaten the economic viability of U.S. firms at home and abroad. China asserts, on the other hand, that SOEs make decisions based solely on commercial considerations.38 Part LB will examine this issue in further detail.39 For now, it is important to emphasize that once China enters into a BIT with the United States, it could become more difficult for the U.S. government to block FDI by Chinese SOEs in the United States. Under the 2012 Model BIT, used by the United States in negotiating all of its BITs, China will acquire rights and protections not currently enjoyed under U.S. law.40 These new rights and protections could prevent the United States from unilaterally blocking FDI projects by Chinese SOEs.41 Moreover, not only does the Model BIT contain important new rights and protections for foreign investors, but it also offers a dispute resolution mechanism in which the International Center for the Settlement of Investment Disputes ("ICSID"), an international tribunal, resolves investment disputes through binding arbitration.42 In other words, while the United States currently has the final say on whether to approve a Chinese investment (just as the Chinese government has the final say over FDI in China), once a U.S.-China BIT is effectuated, the final determination could be in the hands of a neutral international tribunal.

(Note: “SOE’s” are “State-Owned Enterprises”. “FDI” is “Foreign Direct Investment”)

#### Economic growth allows China to leverage power against the US. That erodes US hegemony and turns the Aff by increasing tensions.

Tellis ‘14

(Ashley J., senior associate at the Carnegie Endowment for International Peace, specializing in international security, defense, and Asian strategic issues, “Balancing Without Containment: An American Strategy for Managing China,” <http://carnegieendowment.org/files/balancing_without_containment.pdf>)

Although American mistrust of China is perhaps not as acute—at least right now, given the U.S. advantages in relative power—there is little doubt that significant anxieties persist because of challenges in diverse areas ranging from economic relations to military operations to alliances and geopolitics. As China’s power continues to grow, the discordance between Washington and Beijing in these and many other areas will likely be aggravated, thus intensifying the competition between the two countries. As Aaron Friedberg summarized it succinctly, “the United States and the People’s Republic of China are today **locked in a quiet but increasingly intense struggle for power** and influence, not only in Asia but around the world.”5 When all is said and done, this deepening Sino-American power-political competition derives fundamentally from the fact that both nations find themselves trapped in inescapable opposition. The United States seeks to protect its global hegemony—as it must, if it is to advance its varied national interests—while rising Chinese power is oriented toward eroding that U.S. primacy, which remains the most dangerous external constraint on Beijing’s ability to use its steadily accumulating power to reshape the extant political order to serve its own interests. This rivalry is manifested in diverse ways, from contests over control of the Asian rimlands and the Indo-Pacific to ideological competition over different models of state-society relations. It is ultimately rooted, however, in material factors, namely what Robert Gilpin has called “the uneven growth of power among the dominant states in the [international] system.”6 Power, in this context, is a multidimensional phenomenon. It refers to the ability of a state to protect its freedom of action through the possession of superior economic capabilities that in turn **enable the production of requisite military strength**. These twin foundations allow a state to acquire the other trappings of power, such as the ability to attract and protect friends and allies, secure a seat at the high tables of international governance, and popularize ideologies that help to secure international acceptance of its standing. China’s expanding economy, which has grown at an average of some 10 percent of gross national product (GNP) annually during the past thirty-odd years, has enabled it to become the new global power most capable of challenging U.S. primacy. Shorn of all subtlety, Beijing’s rise poses a special problem for U.S. interests because it threatens a possible power transition at the core of the global system. If China continues to grow at higher rates than the United States well into the future, it could in time displace Washington as the most important entity worldwide and threaten the postwar international order that has been built and maintained by preeminent American power.7

US hegemony prevents escalating global wars

Keck, ‘14

(Zachary, Managing Editor of the Diplomat, “America’s Relative Decline: Should We Panic?” <http://thediplomat.com/2014/01/americas-relative-decline-should-we-panic/>)

Still, on balance, the U.S. has been a positive force in the world, especially for a unipolar power. Certainly, it’s hard to imagine many other countries acting as benignly if they possessed the amount of relative power America had at the end of the Cold War. Indeed, the British were not nearly as powerful as the U.S. in the 19th Century and they incorporated most of the globe in their colonial empire. Even when it had to contend with another superpower, Russia occupied half a continent by brutally suppressing its populace. Had the U.S. collapsed and the Soviet Union emerged as the Cold War victor, Western Europe would likely be speaking Russian by now. It’s difficult to imagine China defending a rule-based, open international order if it were a unipolar power, much less making an effort to uphold a minimum level of human rights in the world. Regardless of your opinion on U.S. global leadership over the last two decades, however, there is good reason to fear its relative decline compared with China and other emerging nations. To begin with, hegemonic transition periods have historically been the most destabilizing eras in history. This is not only because of the malign intentions of the rising and established power(s). Even if all the parties have benign, peaceful intentions, the rise of new global powers necessitates revisions to the “rules of the road.” This is nearly impossible to do in any organized fashion given the anarchic nature of the international system, where there is no central authority that can govern interactions between states. We are already starting to see the potential dangers of hegemonic transition periods in the Asia-Pacific (and arguably the Middle East). As China grows more economically and militarily powerful, it has unsurprisingly sought to expand its influence in East Asia. This necessarily has to come at the expense of other powers, which so far has primarily meant the U.S., Japan, Vietnam and the Philippines. Naturally, these powers have sought to resist Chinese encroachments on their territory and influence, and the situation grows more tense with each passing day. Should China eventually emerge as a global power, or should nations in other regions enjoy a similar rise as Kenny suggests, this situation will play itself out elsewhere in the years and decades ahead. All of this highlights some of the advantages of a unipolar system. Namely, although the U.S. has asserted military force quite frequently in the post-Cold War era, it has only fought weak powers and thus its wars have been fairly limited in terms of the number of casualties involved. At the same time, America’s preponderance of power has prevented a great power war, and even restrained major regional powers from coming to blows. For instance, the past 25 years haven’t seen any conflicts on par with the Israeli-Arab or Iran-Iraq wars of the Cold War. As the unipolar era comes to a close, the possibility of great power conflict and especially major regional wars rises dramatically. The world will also have to contend with conventionally inferior powers like Japan acquiring nuclear weapons to protect their interests against their newly empowered rivals. But even if the transitions caused by China’s and potentially other nations’ rises are managed successfully, there are still likely to be significant negative effects on international relations. In today’s “globalized” world, it is commonly asserted that many of the defining challenges of our era can only be solved through multilateral cooperation. Examples of this include climate change, health pandemics, organized crime and terrorism, global financial crises, and the proliferation of weapons of mass destruction, among many others. A unipolar system, for all its limitations, is uniquely suited for organizing effective global action on these transnational issues. This is because there is a clear global leader who can take the initiative and, to some degree, compel others to fall in line. In addition, the unipole’s preponderance of power lessens the intensity of competition among the global players involved. Thus, while there are no shortages of complaints about the limitations of global governance today, there is no question that global governance has been many times more effective in the last 25 years than it was during the Cold War.

### 2AC Frontline vs. Chinese Econ Disad

#### *Empirically false* and *No link* – China’s econ has recently dipped from record highs. The plan avoids a collapse of China’s economy – but doesn’t go beyond record highs. When China had record highs the disad never happened.

Chinese economic growth won’t translate into attempts to displace the US.

Mark Beeson and Fujian Li, 2015 – professor of international politics at the University of Western Australia, Fujian Li is a research fellow of the East Asian Studies Center at China Foreign Affairs, "What consensus? Geopolitics and policy paradigms in China and the United States", www.chathamhouse.org/sites/files/chathamhouse/field/field\_publication\_docs/INTA91\_1\_06\_Beeson\_Li.pdf

This article considers the emergence of the China model in the context of the growing competition between China and the United States. The key issue is whether—notwithstanding problems with the concept itself 4 —the influence of a Chinese model of development is likely to grow as the country’s material power and importance continue to expand. Our provisional answer to this question is that while China’s increased material leverage will enhance its importance and its potential policy options, its ability or even willingness to realize such opportunities is far from clear. America’s decline and China’s renaissance may present opportunities, **but the possibility**, much less the inevitability, **of** some sort of ‘**hegemonic transition’** remains remote.5 Equally importantly, perhaps, as our exploration of Chinese thinking on this topic demonstrates, there is no clear, unified consensus on how to understand either its development or its international significance among scholars or policy-makers in China itself. As a consequence, **the prospects for** some form of continuing, albeit diminished, ‘**American hegemony’**, even including elements of the so-called Washington Consensus, **may not be as poor as some predict**, at least in the immediate future.

#### Not unique and No internal link. *Chinese SOE investment is up now* and *BIT is not the only way to make profits*.

Miner ‘15

et al; SEAN MINER is China program manager and research associate at the Peterson Institute for International Economics. The Peterson Institute for International Economics (PIIE; Peterson Institute) is a private and non-profit think tank focused on international economics, based in Washington, D.C. According to the 2014 Global Go To Think Tank Index Report (Think Tanks and Civil Societies Program, University of Pennsylvania), Peterson is number 15 (of 150) in the "Top Think Tanks Worldwide" - From the Chapter “ON FOREIGN INVESTMENT IN THE UNITED AND THE US-CHINA BILATERAL INVESTMENT TREATY: CHALLENGES IN MEETING CHINA'S DEMANDS” – From the paper “TOWARD A US-CHINA INVESTMENT TREATY” - PIIE Briefing 15-1 - February 2015 -https://piie.com/publications/briefings/piieb15-1.pdf

The perception is that China's SOEs have not invested much in the United States, or that investments from China's SOEs are not welcome. Evidence does not support these statements. Of the total of 896 investments from China in the United States, 249 were by Chinese SOEs, about 27 percent of the total. The SOE deals were generally larger than the deals of private Chinese investors, accounting for 42 percent, or over $18 billion, of total investments from China. Of the 249 SOE investments, 177 were greenfield investments, investments in new facilities and factories rather than purchases of existing companies, worth $2.5 billion, while the other 72 were acquisitions, accounting for $15.5 billion." Acquisitions in the energy industry accounted for more than half the value of SOE investments. 1 lowever SOEs invested across a wide variety of sectors, including aviation, information technology, health and biotech, basic materials, and real estate. The Rhodium Group broadly defines "government-owned" to include any firm with more than 20 percent government ownership. Even so, plenty of big name-brand Chinese SOEs have successfully invested in the United States. State-owned China National Offshore Oil Corporation (CNOOC) is a prominent example. Although it failed in its bid for Unocal in 2005 because of political opposition from members of the US Congress, CNOOC now has investments worth over $3 billion in the United States. CNOOC changed strategy and began investing in minority share positions and entering into joint ventures with US firms. In another case, TPCO America, a subsidiary of state-owned Tianjin Pipe Corporation made a greenfield investment in Texas of more than $1 billion. TPCO is building a massive plant for processing steel into pipes, creating more than a 1,000 jobs in the process. State-owned AV1C Automobile Industry Holding Company is a majority owner of US-based Nexteer and helped it become a powerful supplier to US auto manufacturers. Dozens of Chinese state-owned firms have invested in the United States, and each has adopted a strategy backed by experience and flexibility.

China doesn’t want to displace the US, just ensure regional security – engagement solves

Swaine, ‘15

(Michael D., Ph.D., senior associate at the Carnegie Endowment for International Peace, former senior policy analyst at the RAND Corporation, The Real Challenge in the Pacific: A Response to “How to  Deter China,” Foreign Affairs, May/June)

This development should not be surprising to anyone who understands modern Chinese history and great-power transitions. Beijing has an ongoing incentive to work with Washington and the West to sustain continued economic growth and to address a growing array of common global and regional concerns, from pandemics to climate change to terrorism. At the same time, it understandably wishes to **reduce its vulnerability to potential future threats from the United States** and other nations while increasing its overall influence along its strategically important maritime periphery. As its overseas power and influence grow, its foreign interests expand, and its domestic nationalist backers become more assertive, Beijing will naturally become **less willing** to accept unconditionally military, political, and economic relationships and structures that it believes disproportionately and unjustly favor Western powers. **And it will** increasingly worry **that Washington might** resort to pressure or force to try to undermine Chinese security moves in the western Pacific and head off the United States’ impending relative decline. Many Chinese observers now believe that Beijing’s past weakness and its need to cooperate with the United States and the West in general have made it too accommodating or passive in dealing with perceived challenges  to China’s vital national interests, from U.S. support for Taiwan and Asian disputants over maritime claims to close-up U.S. surveillance and other intelligence-gathering activities along the Chinese coast. The more extreme variants of this nationalist viewpoint threaten to transform China’s long-standing “peaceful development” policy, which focuses on the maintenance of amicable relations with the United States and other powers, **into a more hard-edged approach aimed at more actively undermining U.S. influence in Asia**. The so-called bottom-line concept of Chinese President Xi Jinping’s foreign policy **is an apparent step in this direction**, stressing in an unprecedented manner the need for China to stand resolute in managing territorial and sovereignty issues in the East China and South China Seas. Observing these stirrings, meanwhile, many American and other foreign observers see the beginnings of a larger effort to eject the United States from Asia and eventually replace it as the regional, and possibly even global, superpower. China’s greater assertiveness regarding maritime territorial disputes and U.S. and Japanese intelligence and surveillance activities along its coastline are interpreted as tests of U.S. and allied resolve, a prelude to the creation of no-go zones essential for the establishment of Chinese control over the western Pacific. In this view, the proper course of action for Washington is to decisively disabuse Beijing of its aspirations by enhancing U.S. predominance, increasing Chinese vulnerability in the western Pacific, and making clear who is boss, right up to China’s 12-nautical-mile territorial waters. The problem with this outlook—implicit in the concept of Archipelagic Defense that Krepinevich proposes—is that it misdiagnoses China’s motivations and thus exacerbates, rather than mitigates, the underlying problem. Beijing’s de facto attempts to limit or end U.S. predominance along its maritime periphery are motivated by uncertainty, insecurity, **and opportunism rather than a grand strategic vision** **of Chinese predominance**. **Chinese leaders today are not trying to carve out an exclusionary sphere of influence**, especially in hard-power terms; **they are trying to reduce their considerable vulnerability** and increase their political, diplomatic, and economic leverage in their own backyard. This is a much less ambitious and in many ways more understandable goal for a continental great power. It does not necessarily threaten vital U.S. or allied interests, and it can and should be met with **understanding rather than defensive aggressiveness.**

**U.S. primacy isn’t key to peace – their data is flawed**

**Preble 10** – Christopher Preble, director of Foreign Policy Studies at the CATO Institute, August 3, 2010, “U.S. Military Power: Preeminence for What Purpose?,” online: <http://www.cato-at-liberty.org/u-s-military-power-preeminence-for-what-purpose/>

Most in Washington still embraces the notion that America is, and forever will be, the world’s indispensable nation. Some scholars, however, **questioned the logic of hegemonic stability theory** from the very beginning. A number continue to do so today. They advance arguments diametrically at odds with the primacist consensus. Trade routes need not be policed by a single dominant power; the international economy is complex and **resilient**. Supply disruptions are likely to be temporary, and the costs of mitigating their effects should be borne by those who stand to lose — or gain — the most. Islamic extremists are scary, but hardly comparable to the threat posed by a globe-straddling Soviet Union armed with thousands of nuclear weapons. It is frankly absurd that we spend more today to fight Osama bin Laden and his tiny band of murderous thugs than we spent to face down Joseph Stalin and Chairman Mao. **Many factors** have contributed to the dramatic decline in the number of wars between nation-states; it is **unrealistic** to expect that a new **spasm of global conflict** would erupt if the United States were to modestly refocus its efforts, **draw down its military power**, and call on other countries to play a larger role in their own defense, and in the security of their respective regions. But while there are **credible alternatives** to the United States serving in its current dual role as world policeman / armed social worker, the foreign policy establishment in Washington has no interest in exploring them. The people here have grown accustomed to living at the center of the earth, and indeed, of the universe. The tangible benefits of all this military spending flow disproportionately to this tiny corner of the United States while the schlubs in fly-over country pick up the tab.

**1NC – Security K**

**The aff’s claims that “China is a threat” influences policy formulation at every stage. The only way to achieve a coherent China foreign policy is to interrogate discourse and epistemology in policy making. The K is prior to solvency**

**Turner 13**—Oliver Turner is a Research Associate at the Brooks World Poverty Institute at the University of Manchester. He is the author of *American Images of China: Identity, Power, Policy* (Routledge, forthcoming) [“‘Threatening’ China and US security: the international politics of identity,” Review of International Studies, FirstView Articles, pp 1-22, Cambridge University Press 2013]

The modern day China ‘threat’ to the United States is not an unproblematic, neutrally verifiable phenomenon. It is an imagined construction of American design and the product of societal representations which, to a significant extent, have established the truth that a ‘rising’ China endangers US security. This is an increasingly acknowledged, but still relatively under-developed, concept within the literature.121 The purpose of this article has been to expose how ‘threats’ from China towards the United States have always been contingent upon subjective interpretation. The three case studies chosen represent those moments across the lifetime of Sino-US relations at which China has been perceived as most threatening to American security. The ‘threats’ emerged in highly contrasting eras. The nature of each was very different and they emerged from varying sources (broadly speaking, from immigration in the nineteenth century and from ‘great power’ rivalry in the twentieth and twenty-first centuries). Yet in this way they most effectively demonstrate how China ‘threats’ have repeatedly existed as socially constructed phenomenon. Collectively they reveal the consistent centrality of understandings about the United States in perceptions of external danger. They demonstrate that, regardless of China's ability to assert material force or of the manner in which it has been seen to impose itself upon the United States, the **reality of danger can be manufactured** and made real. China ‘threats’ have always been threats to American identity so that the individual sources of ‘danger’— whether a nuclear capability or an influx of (relatively few) foreign immigrants— have never been the sole determining factors. As James Der Derian notes, danger can be ascribed to otherness wherever it may be found.122 During the mid-to-late nineteenth century and throughout the early Cold War, perceptions of China ‘threats’ provoked crises of American identity. The twenty-first-century China ‘threat’ is yet to be understood in this way but it remains inexplicable in simple material terms. As ever, the physical realities of China are important but they are **interpreted in such a way to make them threatening**, regardless of Beijing's intentions. Most importantly, this article has shown how processes of representation have been **complicit at every stage** of the formulation, enactment, and justification of **US China policy**. Their primary purpose has been to dislocate China's identity from that of the United States and introduce opportunities for action. Further, those policies themselves have reaffirmed the discourses of separation and difference which make China foreign from the United States, protecting American identity from the imagined threat. Ultimately, this analysis has sought to expose the inadequacy of approaches to the study of US China policy which privilege and centralise material forces to the extent that ideas are subordinated or even excluded. Joseph Nye argues that the China Threat Theory has the potential to become a self-fulfilling prophecy. Based upon a crude hypothetical assumption that there exists a 50 per cent chance of China becoming aggressive and a 50 per cent chance of it not, Nye explains, to treat China as an enemy now effectively discounts 50 per cent of the future.123 In such way he emphasises the ideational constitution of material forces and the power of discourse to create selected truths about the world so that certain courses of action are enabled while others are precluded. Assessments such as those of Director of National Intelligence James Clapper in March 2011 should therefore not only be considered misguided, but also potentially **dangerous**. For while they appear to represent authoritative statements of fact they actually **rely upon subjective assumptions** about China and the material capabilities he describes. In late 2010 President Obama informed Chinese Premier Wen Jiabao that ‘the American people [want] to continue to build a growing friendship and strong relationship between the peoples of China and the United States’.124 The hope, of course, is that a peaceful and cooperative future can be secured. Following the announcement that the Asia Pacific is to constitute the primary focus of Washington's early twenty-first-century foreign policy strategy, American interpretations of China must be acknowledged as a central force within an increasingly pertinent relationship. The basis of their relations will always be fundamentally constituted by ideas and history informs us that particular American discourses of China have repeatedly served to construct vivid and sometimes regrettable realities about that country and its people. Crucially, it tells us that they have always been inextricable from the potentialities of US China policy. As Sino-US relations become increasingly consequential the intention must be for American representations of the PRC— and indeed Chinese representations of the United States— to become the focus of more concerted scholarly attention. Only in this way can the contours of those relations be more satisfactorily understood, so that the types of historical episodes explored in this analysis might somehow be avoided in the future.

#### The Aff is indistinct from other flawed approaches that are driven by a fundamental fear of the Other. A better response is to interrogate the epistemological failures of the 1AC – this is the only way to solve inevitable extinction

Ahmed ‘12

(Nafeez Mosaddeq, Executive Director of the Institute for Policy Research and Development (IPRD), an independent think tank focused on the study of violent conflict, he has taught at the Department of International Relations, University of Sussex, "The international relations of crisis and the crisis of international relations: from the securitisation of scarcity to the militarisation of society" Global Change, Peace & Security Volume 23, Issue 3, 2011 Taylor Francis)

While recommendations to **shift our frame of orientation** away from conventional **state-centrism** toward a **'human security' approach** are valid, this cannot be achieved without confronting the **deeper theoretical assumptions** underlying **conventional approaches to 'non-traditional' security issues**.106 By occluding the **structural origin** and **systemic dynamic** of global **ecological, energy and economic crises**, orthodox approaches are **incapable of transforming them**. Coupled with their excessive state-centrism, this means they operate largely at the level of **'surface' impacts** of global crises in terms of how they will affect quite traditional security issues relative to sustaining state integrity, such as international **terrorism, violent conflict and population movements**. Global crises end up fuelling the **projection of risk onto social networks**, **groups and countries** that cross the geopolitical fault-lines of these 'surface' impacts - **which happen to intersect largely with Muslim communities**. Hence, regions particularly vulnerable to **climate change** impacts, containing large repositories of hydrocarbon **energy resources**, or subject to demographic transformations in the context of rising population pressures, have become the **focus of state security** planning in the context of counter-terrorism operations abroad.

The intensifying problematisation and **externalisation of Muslim-**majority regions and populations by **Western security agencies - as a discourse** - is therefore not only interwoven with growing state perceptions of global crisis acceleration, but driven ultimately by an **epistemological failure** to **interrogate the systemic causes of this acceleration** in collective state policies (which themselves occur in the context of particular social, political and economic structures). This expansion of militarisation is thus coeval with the subliminal normative presumption that the social relations of the perpetrators, in this case Western states, must be protected and perpetuated at any cost - precisely because the efficacy of the prevailing geopolitical and economic order is ideologically beyond question.

As much as this analysis highlights a direct link between global systemic crises, social polarisation and state militarisation, it **fundamentally undermines the idea** of a symbiotic **link between natural resources and conflict** per se. **Neither 'resource shortages' nor 'resource abundance'** (in ecological, energy, food and monetary terms) **necessitate conflict** by themselves.

There are two key operative factors that determine whether either condition could lead to conflict. The first is the extent to which either condition can generate socio-political crises that challenge or undermine the prevailing order. The second is the way in which stakeholder actors choose to actually respond to the latter crises. To understand these factors accurately requires close attention to the political, economic and ideological **strictures of resource exploitation, consumption and distribution** between different social groups and classes. **Overlooking the systematic causes** of social crisis leads to a heightened tendency to **problematise its symptoms**, in the forms of challenges from particular social groups. This can lead to **externalisation of those groups**, **and** the **legitimisation of violence towards them**.

Ultimately, this systems approach to global crises strongly suggests that conventional **policy 'reform' is woefully inadequate**. Global warming and energy depletion are manifestations of a civilisation which is in overshoot. The current scale and organisation of human activities is breaching the limits of the wider environmental and natural resource systems in which industrial civilisation is embedded. This breach is now increasingly visible in the form of two interlinked crises in global food production and the global financial system. In short, **industrial civilisation in its current form is unsustainable**. This calls for a process of wholesale civilisational transition to adapt to the inevitable arrival of the post-carbon era through social, political and economic transformation.

Yet conventional theoretical and policy approaches fail to (1) fully engage with the gravity of research in the natural sciences and (2) **translate the social science implications** of this research in terms of the embeddedness of human social systems in natural systems. Hence, **lacking capacity for epistemological self-reflection** and inhibiting the transformative responses urgently required, **they reify and normalise mass violence against diverse 'Others'**, newly **constructed as traditional security threats** enormously amplified by global crises - a process that guarantees the intensification and globalisation of insecurity on the road to **ecological, energy and economic catastrophe**. Such an outcome, of course, is **not inevitable**, but extensive new transdisciplinary research in IR and the wider social sciences - drawing on and integrating human and critical security studies, political ecology, historical sociology and historical materialism, while engaging directly with developments in the natural sciences - is urgently required to develop coherent conceptual frameworks which could **inform more sober, effective, and joined-up policy-making on these issues.**

### 2AC vs. Security K

#### ( ) Perm – do both.

#### ( ) Security impact wrong – too sweeping and proves alt fails.

Ling ‘97

(et al – LL.H.M. Ling is Associate Professor on the Graduate Program in International Affairs at The New School. She graduated from Wellesley College, and from Massachusetts Institute of Technology with a Ph.D.; along with Anna M. Agathangelou and , Director of the Global Change Institute in Nicosia and Former Assistant Professor of Women’s Studies and Politics at Oberlin; Studies in Political Economy, v54, Fall, p. 7-8)

Given these concerns with political transformation, post-colonialism exposes several internal ironies in dissident IR. Sankaran Krishna summarizes them accordingly:46 \*A Fixation on the West **Dissident** IR claims to recognize all identities in the study and practice of international life but **perpetuates a "remarkably self-contained and self-referential view of the West that** is] oblivious to the intimate dialogue between 'Western' and 'non-Western' economies, societies, and philosophies that underwrite the disenchantment with modernity that characterizes the present epoch." 'Absence of Materiality **Despite** its emancipatory **intentions, dissident IR tends to gloss over** "a vital and phvsicalistic sense" of life's injustices (as in **war) when** "so **preoccupied with practices of representation** and signification." 'Binding Dualisms **While denouncing** the **dualisms** that shackle sovereign **international relations** (e.g., **order vs. chaos**, domestic vs. international, objectivity vs. subjectivity), **dissident IR** itself r**eproduces** dichotomies such as **a totalizing critique vs. a capitulationist narrative, dissidence vs. sovereignty, good vs. bad**. 'Disabling Politics in **its deep suspicion of a stable subjectivity** and unitary agency, **dissident IR undermines an enabling politics for an emancipatory future**. Left unresolved, **these internal ironies may lead to a "new recipe of discipline and dominance."**47 Dissident IR's fixation with the West offers little analytical room for an interactive, articulating, and self-generating Other in international relations. It relegates to the Other**,** instead, an identity assigned by sovereign IR: i.e., as a mute, passive reflection of the West or as an Utopian projection based solely on its Othernessfrom the West With this construction of Self-Other relations, **dissident IR tends to romanticize the dangers of its** self-isolation into a **totalizing critique — especially for those who** must **bear the brunt of its repercussions**. Indeed, dissident IR's distaste for a singular, "sovereign" subjectivity further accentuates its elitism. After all, who can afford to not negotiate with sovereignty while refusing a coherent identity? As bell hooks writes. "Should we not be suspicious of postmodern critiques of the 'subject' when they surface at a historical momentwhen many subjugated people feel themselves coming to voice for the first time**?"**48 In short, these internal ironies of **dissident IR** continue to marginalize, silence, and exile precisely those it seeks to embrace. Worse yet,adds Roger Spegele, dissidence as offshore observation **"frees us from** the recognition that we have a moral **obligation to do anything** about it**."**49

#### ( ) Prefer policy framework. Checks regress – endless items become nexus questions. Other options unfairly whisk away the 1AC and fail to teach practical approaches to change.

#### ( ) Epistemology should not be the top priority for the ballot – that violent moves us from teaching effective action.

Jarvis 2K

(D.S.L., Lecturer n Government - U of Sydney, INTERNATIONAL RELATIONS AND THE CHALLENGE OF POSTMODERNISM, p. 128-9)

Certainly it is rightand properthat weponder the depths of our theoretical imaginations**,** engage in epistemological and ontological debate, and analyze the sociology of our knowledge. But to suppose that this is the only task of international theory, let alone the most important one, smacks of intellectual elitism and displays a certain contempt for those who search for guidance in their daily struggles as actors in international politics. What does Ashley's project his deconstructive efforts, or valiant tight against positivism say to the truly marginalized, oppressed and destitute? How does it help solve the plight of the poor, the displaced refugees, the casualties of war, or the emigres of death squads? Does it in any way speak to those whose actions and thoughts comprise the policy and practice of international relations? On all these questions one must answer no. This is not to say, of course, that all theory should be judged by its technical rarionality and problem-solving capacity as Ashley forcefully argues. But to suppose that problem-solving technical theory is not necessary—or is in some, way bad—is a contemptuous position that abrogates any hope of solving some of the nightmarish realities that millions confront daily. Holsti argues, we need ask of these theorists and these theories tne ultimate question, “So what?” to what purpose do they deconstruct problematize, destabilize, undermine, ridicule, and belittle modernist and rationalist approaches? Does this get us any further, make the world any better, or enhance the human condition? In what sense can this "debate toward [a] bottomless pit of epistemology and metaphysics" be judgedpertinent relevant helpful, or cogent to anyone other than those foolish enough to be scholastically excited by abstract and recondite debate.

#### ( ) No link and turn – we haven’t said China is an intrinsic threat. We’ve said action-reaction cycles exists and that the US SHOULD MINIMIZE VIOLENT FORMS OF NATIONAL SECURITY REVIEW. We’re the opposite of the link.

#### Talking about threats isn’t tied to creating Chinese containment. Refusing to consider threats is a much worse alternative.

Friedberg ‘1

(Aaron L. Friedberg, Princeton University Woodrow Wilson School Professor of Politics and International Affairs, “News Post”, Commentary, Vol. 111, No. 2, February 2001, <https://lists.lsit.ucsb.edu/archives/gordon-newspost/2001-May/001274.html>, 10/17/12, atl)

Is it possible, finally, that merely by talking and perhaps even by thinking about a full-blown SinoAmerican rivalry we may increase the probability of its actually coming to pass? This is the clear implication of Michael Swaine ’s letter. Mr. Swaine worries that “ordinary observers,” unable to distinguish between descriptions of present reality and “hair-raising scenarios” of the future, will conclude that “an intense geostrategic rivalry is virtually inevitable, and . . . respond accordingly.” While I am flattered by the thought that my article could somehow change the course of history, I very much doubt that it, or a hundred more like it, will have any such effect. On the other hand, I am disturbed by the suggestion that we ought to avoid discussing unpleasant possibilities for fear that someone (presumably our political representatives and “ordinary” fellow citizens) might get the wrong idea. Acknowledging real dangers is a necessary first step to avoiding them, as well as to preparing to cope with them if they should nevertheless come to pass. Refusing or neglecting to do so, it seems to me, is a far more likely formula for disaster.

#### ( ) perm – Do the Aff and deploy our reps solely to justification for engaging China. Security reps might lead to containment – but they aren’t intrinsically tied to such responses. We don’t sever anything – we never defended containment.

#### ( ) Representational Alt bad in the context of US-Sino affairs. It won’t trickle up and it boosts violence.

Strub ‘15

Doug Strub is a second year M.A. candidate in the International Affairs program at George Washington University's Elliott School of International Relations. His research interests are East Asia, emerging markets, and U.S.-China relations. He recently returned from spending seven months in China studying Mandarin and working at the China Economic Review – “In Response: Seeking Truth from Facts: U.S.-China Relations Require More Than Rhetoric” - International Affairs Review - Volume XXIII, Number 3 • Summer 2015 – available at: http://iar-gwu.org/sites/default/files/articlepdfs/China%20Special%20Issue%20DOC%20C%20-%2012%20Seeking%20Truth%20from%20Facts%20-%20Strub.pdf

Finally. Mitchell argues that "Embracing China's 'new model' language may, itself, thus enable otherwise unlikely pragmatic achievements," and "...that reluctance to us the phrase is largely unjustified".19 This kind of reasoning is not, in fact, a pragmatic way to approach such a crucial issue. Considering that both the United States and China have expressed the idea that confrontation between a rising power and an established power is inevitable, simply relying on optimistic rhetoric could ultimately prove quite dangerous.20 The U.S.-China relationship has not yet reached a point of trust and cooperation wherein rhetoric alone can serve as a driving force for grand strategy concerns. Terms such as "may" and "largely unjustified" fail to appreciate the importance of the relationship or the seriousness of the situation and thus fall well short of providing acceptable motivation for policy formulation. Mitchell's recommendation, while contributing significantly to the intellectual discourse on China's rise and its effect on the U.S.-China relationship, falls short when it comes to the practicality of real world implementation. Several other more pragmatic and viable approaches exist, including gradual operationalization and elevation of relations to make tangible progress toward a specified target. Agreeing to a "new model" in hopes that it eventually facilitates change merely exchanges immediate progress for the hope of future improvements. If both China and the United States are serious about this issue, an agreement should be reached on what terms will satisfactorily define a "new model," followed by the concurrent signing of commitments to these arrangements and elevation of the status of the relationship. If, on the other hand, one or neither of the actors is in fact genuinely committed to this concept, then no amount of optimistic linguistic manipulation will solve the issues confronting them. A new arrangement of "major power relations" cannot come into existence overnight merely by declaring it so. Rather, this relationship must continue to grow gradually and define itself through empirical realities as opposed to rhetorically labeling it as something new in the hopes that the act of doing so will eradicate the associated complications and produce a mutually acceptable outcome.

(When the author of this evidence references “Mitchell”, the author is responding to the following article: Ryan Mitchell. "Redefining Pragmatic Engagement: The 'New Model\* of U.S.-China Relations and the Opportunity of Shared Consequences,'\* International Affairs Review 23. no. 3 - Summer 2015: 114. <http://www.iar-gwu.org>)